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LAST ISSUE

East Asia

FBIS-EAS-96-164
Thursday
22 August 1996

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Daily Report East Asia

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Third APEC Preparatory Meeting Opens 21 Aug in Philippines

*BK2108042696 Quezon City Radio Filipinas
in English 0230 GMT 21 Aug 96*

[FBIS Transcribed Text] The third APEC Senior Officials' Meeting (SOM) formally starts today in Davao City. The three day gathering at the Davao Insular Hotel is part in a series of meetings in preparation for the November Summit of APEC leaders. Participants are expected to continue discussion individual action plans or IAP submitted by the 18 APEC-member economies and collective action plans submitted by 'APEC in a move to implement the Osaka Action Agenda for trade liberalization and facilitation. Refinements however have to be made because most of the IAPs were perceived to be too broad and ambiguous. IAPs are voluntary offers of reducing tariff and non-tariff barriers and other measures that would lead towards a freer trade and investment in the Asia-Pacific region by year 2010 for developed economies and 2020 for developing ones such as the Philippines.

The Philippine Government is exchanging intelligence information with United States and other countries on potential terrorist threats to the APEC Summit. Armed Forces Chief General Arturo Enrile said certainly those countries going to APEC must exchange information and talk of possible security problems. Manila is taking elaborate security precautions for the summit of leaders of the 18 members of the Asia-Pacific Economic Cooperation Forum when it is held in Subic this November. Enrile said, among particular concerns are Islamic militant groups, such as Hamas. Enrile said Hamas has also links with the radical Abu Sayyaf group responsible for a string of bomb attacks and abduction of foreign priests and nuns in Mindanao.

APEC Forum Members Revising 'Individual Action Plans'

*BK2208023696 Manila BUSINESS WORLD
in English 22 Aug 96*

[Report by Paul N. Villegas — received via Internet]

[FBIS Transcribed Text] Members of the Asia-Pacific Economic Cooperation (APEC) forum have begun revising their individual action plans (IAPs) as the third Senior Officials Meeting (SOM) kicked-off yesterday at the Davao Insular Hotel.

The meeting is meant to thrash out details of this year's APEC agenda on trade and investment liberalization.

Foreign Affairs Undersecretary Federico Macaranas, chairman of the SOM and the country's pointman in APEC, said the revised IAPs are instrumental in moving the APEC process forward.

"I believe that with these submissions, and their subsequent refinements by the time they become public in November, we have begun a process of continuous improvement of action plans that should take us well into the next century," said Mr. Macaranas during the opening of the Davao SOM.

The IAPs are voluntary commitments of APEC members which specifically outlines their respective thrust in liberalizing key sectors by 2010 for the developing members and 2020 for the industrialized ones.

All the 18 members have initially submitted their IAPs last May during the second SOM in Cebu. However, most of these plans were general outlines and were not specific in terms of target dates, the products involved and tariff reduction rates.

Submitted for Review [subhead]

So far, 13 IAPs which have been revised have already been submitted for review to the SOM chair. These IAPs will be collated and will form the backbone of the Manila Action Plan for APEC (MAPA '96)

APEC groups Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States.

Meanwhile, development cooperation in APEC is expected to reach a higher plane as member economies of the nascent economic grouping are reportedly interested in crafting a framework that would allow it to address issues on food, energy, population and the environment.

John Curtis, chairman of APEC's economic cooperation committee, said there is an urgent need to focus on development issues, even if the group's primary objective is on trade and investment liberalization.

Because of the region's rapid economic growth, he said problems on energy, water, and population will have a tremendous effect on how APEC would proceed over the next few years. "If you do the very simple mathematics, this has very serious consequences on the demand and supply of food or impact on trade," Mr. Curtis said.

Japan

Japan: Defense Chief on Security Alliance With U.S.

OW2108104396 Tokyo BUNGEI SHUNJU
in Japanese Sep 96 pp 276-283

[Discussion by Hideo Usui, director general of the Defense Agency, and Tadae Takubo, foreign affairs commentator and dean of Kyorin University's Faculty of Social Sciences, on 12 July; published as government public relations material by the Defense Agency]

[FBIS Translated Text]

Significance of Japan-U.S. Joint Security Statement

[Takubo] President Bill Clinton met with Prime Minister Ryutaro Hashimoto on 17 April, and the two issued a joint statement on Japan-U.S. security. Though late in coming, I think, the statement bears a deep meaning.

I give a high praise to the statement, believing it marked the start of a new Japan-U.S. relationship.

[Usui] The Japan-U.S. security system has sustained the peace and security of Japan over a long period of time. In that time, the international situation has changed greatly, and the change includes the collapse of the U.S. and Soviet-oriented Cold War structure.

But there still are elements of instability in the Asia-Pacific region, and the statement reminded us that the Japan-U.S. security system is needed not only for security of Japan, but also for the peace and stability of the Asia-Pacific region. It is also significant that this Japan-U.S. joint security statement was announced to the people at home and abroad.

[Takubo] This means that Japan and the United States agree they should join their efforts for the cause of peace and stability of Asia and the Pacific. Does this mean that in the future, the two countries will put more emphasis on defense cooperation for the maintenance of international peace and security in the Far East as provided in Article 6 of the Japan-U.S. security pact?

[Usui] There is no change in the fact that the Japan-U.S. security system will play an important role in the security of Japan, though I think its contribution to the peace and security of the perimeter areas of Japan has grown amidst changing international situations since the end of the Cold War.

Japan has decided it should shore up its trust in the Japan-U.S. security system and make efforts to run the system more smoothly and effectively in accordance with the new defense outline approved by the cabinet last November and with the Japan-U.S. joint security

statement, and is now in the process of taking necessary steps.

[Takubo] Specifically, that means the concerned officials are finalizing new guidelines as mentioned in the joint statement.

[Usui] That is one of the important things to be done.

[Takubo] For the past 18 years no studies or discussions have been made on possible contingencies in the Far East, but the people are coming to be increasingly concerned about such contingencies. That is what is happening now, right?

[Usui] Japan and the United States have so far undertaken many studies together pursuant to the current "guidelines" including those on joint operation plans, but there have been changes in the international situation and in the Japan-U.S. defense cooperation developments since the current "guidelines" were adopted. It has been decided that these "guidelines" should be revised so that the two countries may promote their cooperative relations further under the new situation.

[Takubo] The Acquisition and Cross Servicing Agreement (ACSA) was signed in Japan by U.S. Defense Secretary Perry shortly before the Hashimoto-Clinton summit meeting was held. I think that was another important protocol.

[Usui] That matter had been pending for some time, but only recently did Japan and the United States come to an agreement. So now we have the treaty as well as related laws in effect.

[Takubo] The Japan-U.S. joint statement issued recently is an outcome of the U.S. East Asia strategy which is described in the so-called Nye report authored by then Assistant Secretary of State Joseph Nye. If you read the Nye report you would get the impression that the United States was concerned that Japan might leave the United States. Did the United States approach Japan proposing to improve mutual relations because it thought the Japan-U.S. relationship is crucial to the U.S. Asian strategy?

Assuring Stability in the Asia-Pacific Region

[Usui] Even before then the United States had given consideration to the fact that Japan's defense policy was bound by various restrictions on account of its Constitution. There was no question about that fact, and the fact has been verified time and time again in the course of long, mutual exchanges between the two countries.

It is difficult to say which of the two countries first proposed revising the "guidelines." The two countries

have come to recognize — from their long history of cooperative relations — the need to reaffirm the importance of the Japan-U.S. security system despite the end of the Cold War, and that recognition has now become a reality. That is the way it should be interpreted.

[Takubo] The joint statement indicates that the United States should maintain a force of at least 100,000, and I think that is very significant.

[Usui] There are still many elements of instability left in the Asia-Pacific region. The statement confirms the need for the U.S. forces to remain involved in the peace and security of the region by being forward-deployed in it. I think the judgment of the two countries is appropriate.

[Takubo] I, myself have done analysis of international relations for some time, and in the perimeter of Japan, Japan's relations with Russia, the Korean peninsula, China, and the United States demand attention.

None of these relations can be ignored. That means increasing the importance of Japan's roles. Under this situation, do you think the security treaty, which can be said to be a rather one-way relationship, is appropriate? What is your view on that?

[Usui] I think the understanding is that the rules of the Constitution allow Japan to exercise only the individual right of self-defense.

As you would agree, on the perimeter of Japan, the strength of the Russian troops in the Far East has been substantially reduced from what it had been at their peak time. Furthermore, I recently made a visit to Russia as the first Japanese Defense Agency (DA) chief to do so, thus opening a window of dialogue at the level of top government officials. This means that Japan now has channels of dialogue established at the defense-chief level with all the countries in northeast Asia except for North Korea. I think this will contribute to furthering not only the security of Japan but also of the stability of the Asia-Pacific region greatly.

Henceforth, I think Japan and the United States should continue cooperating in ensuring the stability of the region and the security of Japan by maintaining the Japan-U.S. security system and by promoting trust in each other.

[Takubo] I think you have done well by establishing channels of dialogue with other nations. But I think the assertion that Japan has the right of collective defense, but cannot exercise it, comes from absurd logic. I have always thought that the exercise of collective self-defense rights should be possible as a matter of practicality. What is your thinking in that regard?

Importance of Military Bases and Problem of Burdens

[Usui] There can be many ways of looking at it. I think it is difficult for Japan to use the collective defense rights.

But the DA has recently been asked by the prime minister to conduct studies on actions to deal with emergency situations. For instance, if a crisis arises in a country on the perimeter of Japan, how should the Japanese there be evacuated? What should Japan do if a large number of refugees come rushing into Japan from that country? And how should Japan and the United States cooperate in such an event? In fact, the question of Japan-U.S. cooperation in such an event has been talked about for some time, but still is pending.

Studies will continue on such individual and specific matters.

[Takubo] To get back to the main topic, I think the fact that the Japan-U.S. security treaty was given a reappraisal can mean that the importance of the military bases has increased in a sense. But the impression I receive from the newspapers and television reports is that they are saying the people of the areas where the bases are located are victims who are compelled to bear big burdens.

If that kind of thinking is justifiable, then one might be able to say all the large military bases should be split up equally among all 47 prefectures so that all the Japanese people may share burdens of the bases in a fair and equal manner.

The thinking that the people of some areas "are victims" should be corrected. Otherwise, such thinking will develop into that of saying "we do not want the bases in our area" as if kicking unwelcome balls back and forth. I am afraid that will result in an undesirable situation.

[Usui] What we must recognize basically is the fact that while the U.S. presence is necessary for the security of Japan, it is also making contributions to the security of the Asia-Pacific region.

Young American soldiers are here in Japan, far away from their hometowns. Japan must appreciate and recognize this.

Of course, it is practically impossible to split up the U.S. military bases in Japan into 47 equal pieces. I think it necessary for all the people of the nation to firmly recognize their duties to defend the country.

[Takubo] I am often given chances to talk to women's organizations. When I state "American mothers are now sending their sons to the U.S. forces in Japan, whose blood could be shed to protect Japan; do Japanese

mothers approve of their sons shedding their blood for the defense of the United States?" No one gives a response. (wry laughter)

I think it is necessary to do more public relations campaigns on how important the U.S. bases in Japan are, or how important the U.S. military presence in Japan is, using such easy-to-understand expressions.

[Usui] I certainly agree to your view.

[Takubo] The problem of the military bases on Okinawa has kept escalating. It first represented the issue of revising the status-of-forces agreement (SOFA) and then turned into the matter of realigning and reducing military bases. It then developed into the issue of whether the Okinawan governor should sign the land-lease agreements on behalf of the landowners. Indeed, the matter has transformed in such a complicated manner as to baffle the people of the nation. What is your view on that?

Problems of U.S. Bases on Okinawa and Small-Lot Landowners

[Usui] Since the land-lease contracts on many sites of the U.S. military bases on Okinawa are up for renewal this year and next year, steps for renewing contracts on parts of land in 12 facilities, including the Sobe Communications Site, began in March last year. Around 4 September last year, Okinawa Governor Masahide Ota was supposed to make a decision on whether to sign the contracts or not. But right at that time, the unfortunate incident of the rape of a girl occurred.

Consequently, Governor Ota refused to sign the contracts, and the matter has been left unsettled since then.

I think it is the duty of Japan under the treaty to provide base sites to the United States in a stable manner, though, in consideration of the pains of the people of Okinawa, I also think the government should make efforts to alleviate burdens for them as well.

[Takubo] I think that among the people of Okinawa, the older generations harbor ill feelings about the people of Japan proper. Given this condition, there is no other choice but to ask them to do their part as Japanese, but the government certainly needs to give due consideration to the own history and traditions of Okinawa.

[Usui] The government has made various efforts for the economic promotion of Okinawa and to help it cope with military base issues. But it is also true that people of the Japanese mainland have not given enough understanding to the long pains of the Okinawans. The nation should do some soul-searching on that.

Nonetheless, Japan still carries the obligation to provide base sites to the U.S. under the Japan-U.S. security treaty, and Japan has the obligation.

There is the Special Law on Land in Japan to enable the use of the land, but it has not yet set a rule on how soon administration should be taken.

The prime minister has to file a request with the prefectural governor in order to take action. This problem and others are being given further study.

[Takubo] Until 1992 the Local Autonomy Law made it possible for the prime minister to dismiss governors who had defied the central government, upon winning in local elections.

[Usui] Right, but the law was not intended for thinking that it was not democratic to fire a governor elected by the people. The former is the top leader of the local government.

[Takubo] In Okinawa, there are many social movements and campaigns underway, namely the anti-establishment campaign. Landowners appear to be stirring up the people to join them. Some of the people are joining them simply in order to make profit. In May last year there were 3,001 landowners whose contracts were expiring, and 2,888 small lots (tsubo) [3.3 square meters] each.

[Usui] The number of landowners whose public lands being used by the U.S. military on Okinawa runs to about 32,000. About 90 percent of these people have been protesting against the government despite the difficulties. Of the about 3,000 people who are protesting, but 117 are those who are common landowners (tsubo holders). An important question is viewing this situation.

Anyway, the government has begun to gain an understanding from these people.

[Takubo] The Okinawa Prefectural Government will call for a referendum on 21 June. The results of the Okinawan residents will be known. Suppose the referendum is held in a simplified question as "Are you for maintaining and reducing military bases?" — the question presented to the question. The results of the people will cast their votes.

and reducing the bases. In that event, I think, the outcome will have a tremendous political impact.

[Usui] I certainly do not think the Okinawan people's strong wishes for reducing the bases are erroneously directed. The government should maintain its position of making all possible efforts for them, while harmonizing the efforts with the purposes of the Japan-U.S. security treaty. But there is also the problem of the government not being able to respond to their wishes for base reductions immediately. That is why we need to come up with wisdom and ideas. For instance, making a better use of land — by rebuilding houses for U.S. servicemen's dependents into high-rise apartments — would contribute to reducing the land space needed and thus would enable the reversion of more of the land to landowners. What is important is to think of ways of reducing points of conflicts between the U.S. bases and the Okinawan people as much as possible.

[Takubo] Regarding the 3,000 landowners who are uncooperative you referred to earlier, the land-lease contracts with them are due to expire on 14 May next year. How does the government plan to deal with the problem?

[Usui] As for the Sobe Communications Site, there is one landowner who refuses to renew his contract. We have repeatedly asked him to let the government use the land, but we have failed in getting his agreement. Consequently, we are now taking the step of gaining the right to use his land under the Special Law on Land for the Armed Forces in Japan.

The whole area of the Sobe Communications Site is owned by a total of about 440 people, and just one of them is refusing to sign a contract. As for 12 other installations like Kadena Air Base, if we cannot win the right to use the lands on them by 14 May next year, we may have to take legal steps against about 3,000 people, including about 2,900 one-tsubo holders.

[Takubo] That means the government may have to take the kind of action it took on one man for Sobe Communications Site on some 3,000 people.

[Usui] You are right.

[Takubo] If the contractual term of 14 May expires, a strange situation will arise wherein the right of use for not only the land for the Sobe Communications Site, but also many other lands of the military bases, will fall into the condition of being legally precarious.

[Usui] Since it is undesirable to use the lands of these 3,000 people without the legal right, we are hoping to get the necessary steps completed by 14 May.

[Takubo] If the government wins the Supreme Court case on the lawsuit demanding permission for the government to perform its duty with respect to Sobe Communications Site and if Governor Ota, accordingly, agrees to take necessary prefectural government actions, will that mean an end to all the problems?

[Usui] It will not mean that. Administrative procedures will take a long time. The final outcome will depend largely on what conclusion the prefecture's Expropriation Committee arrives at.

Regarding the Sobe Communications Site, the Expropriation Committee has even rejected the government's stop-gap action request to allow the use of the land for six months. The situation does not allow a prediction on what will happen next.

[Takubo] That is no ordinary matter. The Japan-U.S. security treaty or the stable use of the military bases is essential to the national benefits of Japan. Governor Ota is speaking on behalf of the interest of the prefecture. Can he not think from the greater perspective of national interest?

[Usui] The governor himself has always insisted he does not intend to reject the Japan-U.S. security treaty.

The land issue is a difficult one to deal with as there can be so many different positions on it. Putting himself in a reconciler's position to adjust these various interests will contribute eventually to alleviating the burdens of the people of the prefecture. I sincerely hope that he will carry out the job as a reconciler.

[Takubo] I am relieved to learn that Governor Ota does not reject the Japan-U.S. security treaty. But the job of readjusting the interests will be very tough for the politician who stands at the top of Okinawa.

[Usui] The central government and the Okinawan Government should study and discuss with each other what course of actions will lead to alleviating burdens and diminishing pains for the people of Okinawa. What is most important for the two parties to do is cooperate with each other in endeavors to resolve the issue of easing the pains from the military bases as soon as possible.

We at the DA think what is important for Japan is also to draw up a future plan, considering the future of Okinawa Prefecture. Of course, the U.S. military presence does not have to be a permanent thing. There can be a change to it in the future, depending on changes in the political and military situations of the countries on the perimeter of Japan.

Nonetheless, in the foreseeable future, it is difficult to think there will be a dramatic change in the situations

of this region, given the objective conditions of the Korean peninsula or the PRC-Taiwan relations. The given fact is that right now it is impossible to forecast a major change in the U.S. military presence, which is considered essential to the security of Japan and the stability of the region. We should draw up the plan which takes note of the importance of the Japan-U.S. security system in ensuring stability for the region as well as the security of Japan, based on this outlook of the future, while considering the future of the Okinawan people. We should also make efforts to remove the points of conflict between the U.S. military bases and the Okinawan people as much as possible. I believe doing that will be the fastest way of easing pains and hardships of the people of Okinawa.

I sincerely hope the nation will come to understand that point.

Need for Maintaining the Japan-U.S. Security Treaty

[Takubo] You said there could be a change to the U.S. military presence. In fact, I had a chance to hear a debate that took place in the U.S. Congress at the time of deciding to send U.S. troops to Bosnia.

Congressmen and senators were saying loudly: "Is Bosnia a place of life-and-death importance for national interests? As long as there is no vital interest, no troops should be sent there."

More recently, when 19 U.S. servicemen were killed in a terrorist attack in Saudi Arabia, a newspaper raised a serious question as to whether there was need for the U.S. forces to be stationed in the Saudi Arabia's gulf coast and play a policeman's role now that the oil supply problem is not an issue.

There is such an air of hesitancy in the United States. I felt nervous that the country might not want to station its troops when a change in the international situation really calls for their presence in Japan.

[Usui] Japan has long depended on its own defense capabilities coupled with the U.S. involvement under the Japan-U.S. security treaty for its security.

Consequently, Japan has been able to sustain security for itself with an annual budget of 0.9 percent of the gross national product, and thus to enjoy the benefits of being able to use much of its finances in policy-oriented projects.

Given the difficult financial situation of the situation now, it will be difficult to raise the defense budget drastically in the future. But Japan should continue to retain the Japan-U.S. security system as a way of assuring security for itself and making contributions to

the peace and stability of the Asia-Pacific region. That will be the way of protecting safety for Japan. The security system needs to be maintained by all means.

Pan-Government Efforts Needed To Resolve Okinawa's Base Issues

[Takubo] What progress has been made in studies by the Japan-U.S. Special Action Committee (SACO)?

[Usui] The SACO's interim report was accepted by the 2-plus-2 meeting (of the Japan-U.S. Security Consultation Committee) in April.

The report is made up of four parts: Return of the base land sites; improvement of conditions for training and operations; alleviation of noise; and improved operations of the SOFA.

With regard to the reversion of the land, an agreement was made on returning all or parts of 11 installations including Futenma Air Station, the symbol of the military bases at issue by the people of Okinawa. The land area of Futenma to be returned comes to about 20 percent of all the lands now held by U.S. military installations. The space indeed represents an area which is bigger than the total areas of land returned to Japan since Okinawa's reversion to Japan.

Subsequently, the cabinet in a formal meeting decided that the government should promptly conduct a study from legal and financial aspects on ways of implementing the specific actions agreed to by the SACO and that should come up with an appropriate course of actions.

In other words, the cabinet has decided to launch pan-governmental efforts to resolve the Okinawa problems.

[Takubo] What will happen to the plan for relocating the site of live-fire exercises which are now conducted across Prefectural Highway 104?

[Usui] It has been decided that the exercises should be carried out at several sites on the mainland. Studies are underway from various aspects including the site requirements in carrying out the exercises. The Japan-U.S. Joint Committee plans to arrive at a conclusion on the matter in August. We want to explain to the people of the places where the exercises will be moved to, and gain their understanding.

There are nine candidate sites, and we want to select ones which meet the requirements.

[Takubo] What is the work schedule for the SACO?

[Usui] Japan and the United States have set up a special work team under the committee, and the team is proceeding with its work vigorously. There are some difficult problems involving the return of Futenma Air

Station, but the team is supposed to clear all these problems and come up with a final report by November.

The return of Futenma Air Station has been made possible only by the passionate drive of Prime Minister Hashimoto and the wise decision of U.S. Secretary of Defense Perry or President Clinton. Though there are still some problems to overcome, I think we will be able to win Governor Ota's cooperation as a matter of principle.

[Takubo] Governor Ota is going through pains of his own over this matter too, right?

[Usui] I think so.

The whole government is participating in work to carry out the actions decided on by the SACO, by forming a work committee of the Okinawan Government and central government offices. The government will step up its efforts to find solutions to the problems.

[Takubo] The joint statement announced on 17 April carries so much meaning. If the statement gets weathered and eroded inside of Japan, the country will end up losing its trust internationally.

Please continue to do your best to resolve the problems.

Japan: Official Hints at Partial Shift of U.S. Live-Fire Exercise

OW2108113696 Tokyo MAINICHI SHIMBUN in Japanese 20 Aug 96 Morning Edition p 2

[FBIS Translated Text] On 19 August, Defense Agency [DA] Director General Hideo Usui held a new conference in Shizuoka City. Concerning the shift of U.S. live-fire drills in Okinawa to five sites in mainland Japan, he said: "It is indispensable to obtain the support and understanding of the localities." He also stated: "It is necessary to settle differences of opinion between the government and the U.S. forces. We would like to lighten Okinawa's burden of hosting U.S. military bases." In this way, he indicated that U.S. artillery drills would be shifted partially if some of the five sites, to which the Japan-U.S. Joint Committee decided to transfer the drills at a recent special meeting, reject the relocation plan.

The DA wants to realize the complete relocation of U.S. live-fire drills in Okinawa to mainland Japan during FY97. Usui said: "We will make an effort so that the drills will not have to be held in Okinawa anymore as of FY97." However, he added: "I cannot deny (the partial relocation of the drills)." The U.S. military has demanded that it be allowed to conduct live-fire drills for 35 days a year as it does now. If the artillery drills are shifted only partially, some will still have to be

conducted in Okinawa. Attention is focused on how the DA will deal with this.

Japan: Cities Near Atsugi Want Landing Drills Moved to Iwo Jima

OW2208093796 Tokyo KYODO in English 0829 GMT 22 Aug 96

[FBIS Transcribed Text] Yokohama, Aug. 22 KYODO — Kanagawa Prefecture and seven cities near the Atsugi U.S. Naval Air Station, located southwest of Tokyo, called Thursday for nighttime jet landing drills scheduled to start there later this month to be shifted to Iwo Jima island.

Officials from the prefecture and the cities, which include Ayase and Yamato, made the appeal to both the Foreign Ministry and base authorities.

The drills, scheduled for Aug. 29-Sept. 4, involve jets attached to an aircraft carrier landing and taking off from the airfield at Atsugi. Nearby residents say the low-flying aircraft make too much noise.

Iwo Jima island, which is administratively part of Tokyo, lies some 1,300 kilometers south of the capital in the Pacific Ocean.

The officials said Atsugi Base Cmdr. Philip H. Mills told them the drills will be conducted in as short a time as possible.

Japan: Miyagi Governor Rejects Request To Change Drill Site

OW2208063596 Tokyo KYODO in English 0611 GMT 22 Aug 96

[FBIS Transcribed Text] Sendai, Aug. 22 KYODO — Miyagi Prefectural Gov. Shiro Asano rejected a request Thursday by Defense Agency Chief Hideo Usui that a local Ground Self-Defense Force (GSDF) firing range be used as one of five alternate sites for U.S. artillery drills in Okinawa prefecture.

At a press conference, Asano said he met with Usui and restated his opposition to the plan, in which the U.S. live-fire drills would be moved to the Ojojihara range in the prefecture, northern Japan.

Asano said he told Usui, "we cannot accept because local people are gravely anxious about them."

Later in the day, Usui is scheduled to visit the towns of Taiwa and Shikama, as well as the village of Ohira, where the local GSDF range is located. All that three communities have expressed their opposition to the move.

Usui visited the governor to urge him to accept the proposed shift of the U.S. drills. He made similar trips to Yamanashi and Shizuoka prefectures Monday and will visit Oita prefecture on Friday and Hokkaido prefecture next Monday.

Japan and the U.S. decided earlier this month to shift live-fire artillery drills from Camp Hansen in Okinawa prefecture, Japan's southern main island, to five GSDF facilities, with the drills not to take up more than 35 days of each year in all.

The four other sites are the Kitafuji range in Yamanashi prefecture, the Higashifuji range in Shizuoka prefecture, the Hijudai range in Oita prefecture and the Yausubetsu range in Hokkaido.

The current drills in Okinawa involve the firing of live shells over a section of Okinawa prefectural highway 104, which must be closed during the exercises.

About 75 percent of all Japanese land used by the U.S. military is in Okinawa, which accounts for only 0.6 percent of Japan's total land area. The proposal to move the artillery drills is part of a plan to decrease Okinawa's share of the U.S. military presence.

Japan: Ministries 'Shirking' on U.S. Bases Issue
OW2108124696 Tokyo SHUKAN DAIYAMONDO
in Japanese 10 Aug 96 pp 104-105

[Article from the "Deep Structure of Kasumigaseki" series by political analyst Tadahide Ikuta: "Lower Vitality in Bureaucratic Organizations Witnessed by Reduced Number of Disputes Among Ministries and Agencies"]

[FBIS Translated Text] In Kasumigaseki, a series of defects in the bureaucratic system have been brought to light, while bureaucrats' morale is deteriorating.

One such example is found in the serious complications to a series of problems involving the reduction of U.S. military bases in Okinawa prefecture. A leading official at one of the economic government agencies said of his dilemma, "None of the many government ministries and agencies here is able to work for Okinawa prefecture and the Okinawan people." In fact, government actions on the whole are extremely slow, despite the fact that the problems involved in the base reductions are quite important.

The Foreign Ministry places its priorities on maintaining good relations with the United States, and the Ministry of Home Affairs is the "coordinator" between Kasumigaseki and Okinawa prefecture. The Okinawa Development Agency, the most deeply involved government office and, at the same time, "the smallest and weakest

one," does not have the ability to influence other ministries or agencies to settle the problem.

In the long run, as shown in the forced use of land for the U.S. military communications site at Sobe, the government is taking the attitude of forcing its way against local opposition, on the strength of law. Riot police have been mobilized and are strictly alert.

Is it not a repetition of the same pattern of mistakes committed by the government in connection with the construction of an international airport at Narita?

A number of ministries such as Health and Welfare, Home Affairs, Agriculture, Forestry and Fisheries, Construction, and Finance, in addition to Transport, the main ministry concerned, were involved in the construction of the Narita airport but the government as a whole was torn apart. Without having given a full explanation to the local residents, the government took forcible measures to go ahead with the construction.

As a result, both the oppositionists and riot police suffered casualties, and the airport has still not been completed even after a lengthy interval.

In Kasumigaseki, the Narita issue has been mentioned as "the biggest mismanagement, which exposed the defects of the postwar system of bureaucracy." Now it seems that the same mistake is going to be committed in connection with the question of curtailing U.S. military bases on Okinawa. Every government office is shirking responsibility, confining itself to its ivory tower, and not making any move, thus causing further deterioration on the issue.

It may well be regarded as a "dispute of authorities" inside out.

The late Naohiro Amaya, former MITI deputy vice minister, once composed a poem, "Fighting for authorized powers, a government official does not care about night and day, or reasons."

Once disputes in authority occur in problems concerning other government ministries and agencies, government officials make desperate efforts. Winning in such a dispute gives an advantage in promotion; losing means eventual demotion.

Disputes concerning authority among ministries and agencies, which were dubbed as "a fatal illness," were confined to issues that could produce new powers and interests for the victorious ministry and agency.

On the other hand, once a concerned ministry or agency finds that the problem does not serve to its advantage, it will run away from them and shift the responsibility to other ministries or agencies. It is another form of

disputes in authority, with an immeasurably bad effects on people's livelihood.

In the recent Kasumigaseki, however, it is reported that disputes in authority are on the wane — not just because responsibility is being shirked, as in the case of cutting back military bases, but also by those looking for new powers. A leading official of the Ministry of Transport said, "all the ministries and agencies seem to have become conspicuously quiet, and cases of gallant duels have become less frequent." Leading officials of other ministries and agencies share the same view.

Fewer Disputes Owing To the Decline of the Finance Ministry and MITI

What was the reason behind the waning disputes over authority among ministries and agencies, which have even dubbed "a fatal illness?" Officials give the following reasons.

First of all, although this is only part of it, a change is clearly taking place in the consciousness of leading bureaucrats.

For example, a leading official who is reportedly a shoe-in for the post of administrative vice-minister of one of the economic government agencies said: "I am telling my subordinates not to be obsessed with a 'consciousness of the interests of our ministry.' I want them to work with the awareness that they are Japanese people as well as officials of the Japanese Government before being officials of our ministry."

Next comes the fact that the status of the Finance Ministry is declining from its reign as the "leader in Kasumigaseki" as a series of criticisms against the Finance Ministry continues and that this trend is having an affect on the behavior of other ministries and agencies.

According to a leading official from MITI, "The Ministry of Finance, still an eminent government organization, gives a little less distinguished impression than it used to." This means that the Finance Ministry is not playing the role of "coordinator" as much as it used to in the past on disputes over authority.

Some in Kasumigaseki feared that endless disputes over authority would occur as the Finance Ministry's status continued to deteriorate. For the present, however, an increasing number of government offices are putting the brakes on, presumably out of consideration of the Finance Ministry.

As a matter of fact, in discussion on reform of the Finance Ministry, some people argued that inspecting functions of monetary administration under the juris-

diction of other ministries and agencies such as non-banks under the MITI and farmers' cooperatives under the Ministry of Agriculture, Forestry and Fisheries should be centralized in the Finance Ministry. In the past, both ministries of MITI and Agriculture, Forestry, and Fisheries would have protested against the argument at an early stage; now they are just waiting for a turn of events.

It has been said that MITI, which was nicknamed the "ministry of disputes over authority" because of its loud disputes all over the place, has lost some of its vitality partly due to factional strife within the ministry.

MITI continued to enjoy the spotlight as a "star government office" until the period of high economic growth. However, it lost the chance of making its appearance on the stage, as industries under its jurisdiction have gained strength and power. Instead, it attempted to make advances into administrative sectors under the jurisdiction of other ministries and agencies, by fully utilizing its wide jurisdictional functions in such sectors as "industry," "international trade," "general commerce," "small and medium-sized enterprise," and so on.

For fear that MITI's powers would encroach on their vested interests, other ministries and agencies went on guard and were "prepared for MITI's schemes."

However, the fact is that MITI has become introverted and lost its previous vitality as factional strife within the ministry grows more intense.

A certain leading official of the Finance Ministry tells of the MITI, "I have been telling friends of mine in MITI to propose anything that needs to be reformed in such areas as labor, welfare, medicine, education, and so on." He added, "It is meant as an innovation to bring about administrative change, instead of the common connotation of fighting for power and authority."

It may be quite some time before MITI regains its former vitality from when it was nicknamed the "office of disputes over authority."

Good Opportunity for Bureaucratic Reform, but Deteriorating Vitality Feared

How can it be assessed that disputes among ministries and agencies in quest of authority are on the wane based on the reasons mentioned so far?

A leading official in one of the economic government offices said, "Although I do not approve of the present situation in which every ministry and agency is being less active, it can be said that it is a rather favorable situation for reforming Kasumigaseki."

This official pointed out that disputes among ministries and agencies for authority have been the main obstacle for working out reductions in the power and authority of granting permits and licenses and curtailing the number of organizations and personnel.

As an example, he mentioned a case in which his ministry's work came to a complete halt when other ministries or agencies had indicated moves to get hold of the field that his ministry had already determined unnecessary and wanted to eliminate.

As mentioned above, "robbed of one's work by other office" means a defeat in the bureaucracy. As a result, all the ministries and agencies are unable to reduce unnecessary work, and the government as a whole has fallen into a blistered situation.

In this connection, the present situation that disputes over authority are on the wane may be an unprecedented good opportunity to carry out reforms in the bureaucratic system.

The previously mentioned official said, "If a 'gentleman's agreement' is worked out and strictly adhered to, to the effect that no other ministries or agencies shall take up the work specific offices give up, administrative reforms can be carried out more easily than ever." And I hope that happens.

But "disputes over authority" as seen in the attempt to evade responsibility for reducing military bases indicate that settling the problem is not that easy. Vitality is on the wane throughout Kasumigaseki, so there is a strong possibility that serious mismanagement, similar to the Narita issue, may take place.

Japan: Poll Indicates 70 Percent of Okinawans Want Referendum on Bases

OW2108122796 Tokyo KYODO in English
1121 GMT 21 Aug 96

[FBIS Transcribed Text] Naha, Japan, Aug. 21 KYODO — More than 70 percent of people recently polled in Okinawa Prefecture say they will vote in a Sept. 8 referendum on the status of U.S. military bases in the island prefecture, prefectural officials said Wednesday.

The Okinawa prefectural government conducted a survey on 2,000 residents living in 40 out of 53 municipalities by telephone from Aug. 1 to 7.

Asked if they want to take part in the referendum, 71.2 percent of respondents said "yes," 24.7 percent declined to respond and 4.1 percent said "no."

Prefectural government officials, who are campaigning to maximize voter turnout in the referendum, said the citizens' interest was "higher than expected."

The local government will call the referendum to ask local residents if they support a reduction in U.S. bases in the prefecture.

The results of the survey show 55.2 percent are well educated about the referendum, 32.5 percent said they do not know the referendum well, and 12.3 percent said they knew nothing about the poll.

The referendum was initiated by the Okinawa branch of the Japanese Trade Union Confederation (RENGO), Japan's largest labor organization.

Opposition to the U.S. military bases in Okinawa erupted after the rape of a 12-year-old elementary school girl last September by three U.S. servicemen. The servicemen were convicted and sent to prison.

Roughly 75 percent of all Japanese land reserved for use for the U.S. military is concentrated in Okinawa prefecture, which accounts for less than 1 percent of Japan's total area.

Japan: Towns Criticized for Slow Reaction to Base Incidents

OW2108130396 Tokyo MAINICHI SHIMBUN
in Japanese 17 Aug 96 Morning Edition p 26

[Part five in a series entitled "Military Bases and Information Disclosure" by a MAINICHI SHIMBUN special reporting team; this installment is entitled "Municipalities Are Forestalled by Civic Groups; They Are Negative About Taking Action To Collect Information About Documents on Accidents and Facilities"]

[FBIS Summary] The fifth article in this series discusses the slow or negligent action of municipalities surrounding a Yokota military base and other bases in Tokyo and Kanagawa Prefecture in obtaining information about accidents and U.S. military facilities. Citing a jet fuel leakage accident at Yokota Air Base in October 1993, the article explains how the U.S. military and local municipalities took action to deal with the accident, saying it took two weeks for the U.S. side to inform the cities surrounding the base of the accident. The article notes the reason for the two-week delay, citing a report obtained by a civic group based on the Freedom of Information Act. The article says the municipalities concerned got the report two months after the civic group obtained it. The article stresses that residents in the municipalities are increasingly dissatisfied with the government and municipalities' slow action.

The article points out: "After civic groups obtained documents, local self-governing bodies try to get information in haste. This always happens. (A Fussa city official said) 'Even if we obtain English-language technical

documents, we cannot translate and analyze them.' (A Hamura City official said) 'In connection with the recent accident, the points of contact for obtaining information are the Environment Agency and the Defense Agency. We have no intention of obtaining information directly from the United States.' Unlike Okinawa Prefecture's application filed by the governor himself, there are negative views among concerned cities' officials in charge of the base affairs about taking action themselves to obtain information."

Japan: Ruling Party Officials Agree on Okinawa Research Expenses

OW2208052896 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 21 Aug 96 Morning Edition p 2

[FBIS Translated Text] Three top ruling party policy makers, including Liberal Democratic Party Policy Research Council chairman Taku Yamasaki, held talks in Kobe on the evening of 20 August, and exchanged opinions on upcoming political issues, including the Okinawa U.S. military base issues. As a result, they reached an agreement to include research expenses for expanding the Free Trade Zone, and lowering airfares to and from Naha, as part of economic development policies for Okinawa prefecture in the budget requests for fiscal year 1997, which is due at the end of August.

Yamasaki and others reconfirmed a policy that the three parties will work together to tackle the issue of forced land use for U.S. military bases in Okinawa. They also agreed to a common position that "the Okinawa issue should not be linked to the dissolution of the House of Representatives and general elections."

Japan: Government Negligence Charged on U.S. Base Pollution Issue

OW2108114496 Tokyo MAINICHI SHIMBUN
in Japanese 16 Aug 96 Morning Edition p 22

[Part four in a series entitled "Military Bases and Information Disclosure" by a MAINICHI SHIMBUN special reporting team; this installment is entitled "Administration's Response Is Retrograding; Fact Finding for Environmental Pollution To Be Handled by 'Subcommittee' Under the Japan-U.S. Joint Committee"]

[FBIS Summary] Taking as an example a case of soil pollution near the Yokosuka military base in which the Foreign Ministry early this month provided Kanagawa Prefecture and Yokosuka City with a final investigation report by the commander, U.S. Naval Forces, Japan (in Yokosuka), the article says it is uncertain whether the report will be opened to a civic group that has been calling for disclosure of information on soil pollution. The article notes the Environment Agency's position on

information disclosure, saying the agency wants to let a local government decide whether information should be opened to the public. The article quotes the civic group's lawyer as criticizing the central government for entrusting a decision to the local government and saying they would take legal action if the local government refused to open the document.

The article says the soil pollution case came to light in 1992 and the U.S. military side later said "there is no problem." But the civic group is still skeptical about it because the U.S. Navy's investigation report in 1993, which the civic group obtained in accordance with Freedom of Information Act, said the mercury concentration is abnormally high.

The article also cites the case of sea pollution by polychlorinated biphenyls (PCB's), which came to light in 1980, at Sasebo Bay near Sasebo Naval Base, saying the Navy's warships might have something to do with PCB pollution. At the same time, however, the article criticizes Sasebo City for failing to pursue the cause of pollution for over 15 years since 1980. The article says: "In December 1975, shortly after its establishment, the Environment Agency compiled a report on its on-site investigation into 19 U.S. military facilities. However, the agency says 'there is a channel called the subcommittee on environment under the Japan-U.S. Joint Committee, and if there is any problem, it will be reported by the U.S. military side. So, it is not necessary for us now to investigate.'" To conclude the article, the article quotes again the civic group's lawyer as criticizing the government and local governments for failing to take positive action.

Japan: Heavy Industry Firm Accepts U.S. ITC Decision on Duties

OW2208022196 Tokyo KYODO in English
0159 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Mitsubishi Heavy Industries Ltd. (MHI) said Thursday it will accept a decision by the U.S. International Trade Commission (ITC) to impose antidumping duties on imports of printing press systems from the Japanese heavy machinery maker.

"We have been insisting that there was no dumping. The ITC decision resulted from a matter of opinion," a company spokesman said.

"But we'll have to follow it since it was a final determination."

On Wednesday, the ITC announced its unanimously affirmative final determination that the U.S. industry "is materially injured or threatened with material injury"

by the dumping of printing press systems by Mitsubishi Heavy Industries and other Japanese companies.

Japan: Series Discusses Disaster Relief Cooperation With U.S.

OW2208002196 Tokyo MAINICHI SHIMBUN
in Japanese 18 Aug 96 Morning Edition p 26

[Part six in a series entitled "Military Bases and Information Disclosure" by a MAINICHI SHIMBUN special reporting team; this installment is entitled "Hidden U.S. Military's Proposal: 'Security Pact' Blocking Out Disclosure of Proposal — Atmosphere Created for Japan-U.S. Cooperation in Disaster Relief"]

[FBIS Summary] Looking back to January 1995, when a tragic earthquake occurred, the article notes that the U.S. military sent the Foreign Ministry a seven-point disaster relief proposal including the dispatch of the aircraft carrier Independence, which can accommodate 2,000 people. However, the article says the proposal was not accepted because the heads of the affected cities did not want to select 2,000 people from the refugees. The article notes, "however, the situation took an unexpected turn and the proposal created a stir because the Foreign Ministry 'covered up' the fact."

Reviewing a series of Diet sessions following the earthquake, the article says that then Foreign Minister Kono first said the proposal did not exist but later admitted it did.

The article notes recent developments in the situation, explaining what was discussed at a 24 August general meeting, held in Tokyo, of the Liaison Council of Governors from prefectures wherein U.S. bases are located. The article says that at the meeting, "it was newly decided to incorporate in a petition to the government a request for 'mutual cooperation with the U.S. Forces in disaster relief.' The great Hanshin earthquake has created within local self-governing bodies an atmosphere of taking a different view of the U.S. military than in the past."

Going back to the Foreign Ministry's position on information disclosure, the article says the ministry has yet to disclose the details of the proposal. The article quotes an official at the ministry's National Security Affairs Division as saying the proposal can be treated as a military secret and negotiations on the U.S. Forces' possible cooperation in disaster relief in the quake-hit area began on condition that the talks would be held behind-the-scenes. However, the article carries the U.S. Forces Headquarters' response to a MAINICHI SHIMBUN question, which said that the U.S. Government did not make the proposal. The article says "we have conveyed to the headquarters the fact

that the Foreign Ministry admitted that it received the proposal and have repeatedly asked the headquarters to confirm the proposal's existence, the answer is 'we have no further comments.'" The article concludes that it is very hard to open the security arrangements "door."

Japan: Asian Business Leaders Said To Urge APEC as Regional Group

OW2108130296 Tokyo KYODO in English
1108 GMT 21 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — Business leaders from 10 Asian nations ended a two-day meeting in Tokyo on Wednesday with a pledge to strengthen cooperation and contribute to fostering the Asia-Pacific Economic Cooperation (APEC) forum into an open regional group, organizers said.

The conference, named the Asian Neighbors Forum, was organized by the Federation of Economic Organizations (Keidanren) and held at its guesthouse in the summer resort town of Oyama at the foot of Mt. Fuji.

Discussions focused on environmental and food problems in the region with burgeoning economic growth, Keidanren officials said.

They said the attendants urged the Japanese community to step up technology transfers to Asian neighbors and promote local employees at Japanese enterprises operating in Asian countries to responsible positions.

Some participants called for the use of the World Trade Organization as an arena for multilateral trade problems, they said.

The countries represented at the session included China, Thailand, Malaysia and Indonesia.

Japan was represented by Shoichiro Toyoda, Chairman of Keidanren and of Japan's top automaker Toyota Motor Corp.

The next session will be held in South Korea next year, the officials said.

Japan: Australian Premier To Visit Japan in Sep

OW2108125696 Tokyo KYODO in English
1109 GMT 21 Aug 96

[FBIS Transcribed Text] Sydney, Aug. 21 KYODO — Australian Prime Minister John Howard said Wednesday he has rescheduled his visit to Japan for Sept. 18 to 21 following a three-day visit to Indonesia.

Howard said July 28 he was canceling his official visit to Japan and Indonesia, scheduled for August, because his wife must have a major operation.

His wife, Jaouette, was admitted to a Sydney hospital last month.

Howard was elected prime minister in March.

Japan: Foreign Minister Says Tokyo To Consider Resuming Loans to Egypt

OW2108134996 Tokyo KYODO in English
1225 GMT 21 Aug 96

[FBIS Transcribed Text] Cairo, Aug. 21 KYODO — Foreign Minister Yukihiko Ikeda said Wednesday Japan will consider resuming its yen loans to Egypt, depending on progress in Cairo's economic reform commitments to the International Monetary Fund (IMF).

Ikeda made the comments in a meeting with Prime Minister Kamal al-Janzuri, who called for Tokyo to resume yen loans to Cairo to spur direct investment in the country by Japanese companies, according to Japanese officials traveling with the foreign minister.

Ikeda told al-Janzuri it is important for Egypt to improve its economic infrastructure for foreign companies, they said.

Japan suspended yen loans to Egypt in May 1991, when Egypt was granted debt reduction and rescheduling, totaling 21 billion dollars, by the IMF and World Bank, the officials said.

Despite some financial improvements such as the holding down of inflation, Cairo's reforms of its economic structure, including privatization, have stalled, the officials said.

Ikeda, who visited Egypt on the first leg of his official trip to four Middle East countries, also met Foreign Minister 'Amr Musa later in the day, they said.

The foreign ministers were believed to have discussed promotion of the Middle East peace process, as well as continuing Japan-Egypt political dialogue.

Japan: Official Says Election Unlikely During Chirac Visit in Nov

OW2108123996 Tokyo KYODO in English
1106 GMT 21 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — Prime Minister Ryutaro Hashimoto is unlikely to dissolve the House of Representatives for a general election during French President Jacques Chirac's visit to Japan from Nov. 17, Chief Cabinet Secretary Seiroku Kajiyama said Wednesday.

"I have always heard from the prime minister that he will avoid any such confusion during the president's visit to Japan," Kajiyama said in a meeting at Hashimoto's official residence with visiting French Cul-

ture Minister Philippe Douste-Blazy, according to a Foreign Ministry official.

Kajiyama made the remarks in response to a question from the French minister, but said it could be answered only by the prime minister, who has the exclusive right to dissolve the powerful chamber.

The four-year term of the lower house will expire in the summer of 1997, but Hashimoto can dissolve the lower house at any time.

Hashimoto is currently in Mexico on a Latin American tour.

Japan: Ikeda Reportedly Urges Direct 'Arafat-Netanyahu Talks

OW2108152296 Tokyo KYODO in English
1452 GMT 21 Aug 96

[FBIS Transcribed Text] Cairo, Aug. 21 KYODO — Japanese Foreign Minister Yukihiko Ikeda on Wednesday called for direct dialogue between Palestinian Leader Yasir 'Arafat and Israeli Prime Minister Binyamin Netanyahu to promote the Middle East peace process, Japanese officials said.

The officials said Ikeda made the call in a meeting with Egyptian Foreign Minister 'Amr Musa.

Ikeda is in the Egyptian capital on the first leg of his official trip to the Mideast region, which will also take him to Syria, Jordan and Israel.

Musa sought prompt Israeli action to help facilitate the Mideast peace process, saying failure to do so would have violent repercussions, the officials said.

Ikeda also met separately with Egyptian Prime Minister Kamal al-Janzuri, who called for Tokyo to resume yen loans to Cairo to spur direct investment in the country by Japanese companies, according to the Japanese officials traveling with the foreign minister.

Ikeda said Japan will consider resuming its yen loans to Egypt, depending on progress in Cairo's economic reform commitments to the International Monetary Fund (IMF).

He told al-Janzuri it is important for Egypt to improve its economic infrastructure for foreign companies, they said.

Japan suspended yen loans to Egypt in May 1991, when Egypt was granted debt reduction and rescheduling, totaling 21 billion dollars, by the IMF and World Bank, the officials said.

Despite some financial improvements such as the holding down of inflation, Cairo's reforms of its economic

structure, including privatization, have stalled, the officials said.

Japan pledged that it will give Egypt a grant of 1.26 billion yen for a project to develop a fishing port, Japanese foreign ministry said.

The money will be used to develop a fishing port in Maadia on the Mediterranean coast, it said.

Ikedo is the first high-level Japanese Government official to visit the Middle East since former Prime Minister Tomiichi Murayama went to the region last September.

Japan: Plans To Extend 45-Billion-Yen Loan to Mexico Announced

OW2208002096 Tokyo KYODO in English
2311 GMT 21 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — Japan will extend a low interest loan of up to 45.11 billion yen to Mexico for a project to build sewage treatment plants and improve the environment in metropolitan areas, foreign ministry officials said Thursday.

Notes on the yen-denominated credit were exchanged between Mexican Finance Minister Guillermo Ortiz and Japanese ambassador to Mexico Terusuke Terada in Mexico City on Wednesday in the presence of Mexican President Ernesto Zedillo and Japanese Prime Minister Ryutaro Hashimoto, the officials said.

The announcement was timed to coincide with the official visit to Mexico by Hashimoto, who arrived Wednesday as part of an 11-day tour of Mexico, Chile, Brazil, Peru and Costa Rica.

The 25-year untied loan will carry a grace period of seven years with an annual interest rate of around 4 percent, the officials said.

Japan: Hashimoto Seeks Mexican Protection for Japanese Firms

OW2208035096 Tokyo KYODO in English
0138 GMT 22 Aug 96

[FBIS Transcribed Text] Mexico City, Aug. 21 KYODO — Japanese Prime Minister Ryutaro Hashimoto thanked Mexican President Ernesto Zedillo on Wednesday for his country's help in the release of a kidnapped Japanese businessman and asked for help ensuring security for Japanese companies in Mexico, Japanese officials said.

Hashimoto expressed concern that the abduction of Mamoru Konno, president of a U.S. subsidiary of Japan's Sanyo Electric Co., could affect Japanese business activity in Mexico and prevent Japanese businesses from expanding into the country, the officials said.

But Hashimoto, the first Japanese premier to visit Mexico in seven years, assured Zedillo that Sanyo Electric has no intention of withdrawing from Mexico because of the incident, they said.

Konno is president of Sanyo Video Components (USA) Corp., which is based in San Diego, California. Sanyo has several subsidiaries in Mexico.

Konno was released for a 2 million dollar ransom Monday, nine days after he was abducted in the northern Mexican city of Tijuana, clearing away a potential cloud over Hashimoto's trip.

Zedillo noted that the Mexican government is also worried about possible business repercussions from the incident and promised to go all-out to arrest the kidnappers, they said.

In other remarks at the Japan-Mexico summit, Hashimoto pledged Japan's support for Mexico's assistance to other central American and Caribbean nations by sending economic experts to Mexico and financing the dispatch of Mexican engineers to such states, they said.

Hashimoto also offered to invite 10 Mexican youths to participate in a project for technical trainees from Latin America, they said.

The two leaders agreed to work together on expanding bilateral trade and promoting free trade through the World Trade Organization and the Asia-Pacific Economic Cooperation (APEC) forum, they said.

Hashimoto invited Zedillo as a state guest to Japan in the first half of next year and Zedillo accepted the invitation, while Zedillo asked Hashimoto to pass along an invitation to Emperor Akihito and Empress Michiko to visit Mexico next year for an event commemorating the 100th anniversary of Japanese immigration into Mexico.

Hashimoto told Zedillo that he could not answer to the invitation yet but noted he will pass it on to the imperial household agency.

After the meeting, Hashimoto and Zedillo attended a ceremony exchanging diplomatic documents on a project under which Japan will provide Mexico with some 45.1 billion yen in loans to support a sewerage project in Mexico.

Hashimoto arrived in Mexico on Tuesday on the first leg of a five-nation Latin American tour that will also take him to Brazil, Chile, Peru and Costa Rica.

Japan: PRC To Join Tokyo Initiative in Regional Security Dialogue

OW2108233896 Tokyo *NIHON KEIZAI SHIMBUN* in Japanese 21 Aug 96 Morning Edition p 2

[By Hiroyuki Akiyama]

[FBIS Translated Text] Beijing, 20 Aug — Naoaki Murata, vice minister of the Defense Agency, met with Qian Shugen, deputy chief of the People's Liberation Army General Staff, in Beijing on 20 August. At the meeting, Murata stressed the recently announced Japan-U.S. security declaration "is not intended for any specific country."

In response, General Staff deputy chief Qian noted China would join the "Asia-Pacific defense official's forum," which will be held in Tokyo in late October under Japan's initiative.

Qian also said China will dispatch representatives to the Tokyo forum of the "west Pacific navy symposium" in late November.

Japan: Mission Plans To Visit PRC in Sep To Resume ODA

OW2108135796 Tokyo *TOKYO SHIMBUN* in Japanese 20 Aug 96 Morning Edition p 1

[FBIS Translated Text] On 19 August the government decided to resume Official Development Assistance (ODA) to China in response to its 30 July announcement on the discontinuance of nuclear tests. ODA programs will be resumed this fall upon approval of the ruling coalition. A government mission will visit China in September to reach an agreement on the fourth yen-based loans program (a 580-billion-yen loans program covering FY96-FY98) before the end of this year.

Tokyo also intends to resume grant aid, which is currently frozen except for emergency humanitarian aid and grass-roots aid (small-scale grants), within this fiscal year if there are appropriate projects. The Tokyo decision was made to fully resume Japan's economic assistance to China, including grant aid which has been suspended since China's nuclear test in May 1995.

However, the grant aid to China was frozen in response to the ruling coalition's strong reactions to China's nuclear tests. Some coalition members still oppose an early resumption of China aid due to China's military demonstration in the Taiwan Strait in last March.

Therefore, the bureaucratic sector views approval by the ruling coalition as a prerequisite for resuming grant aid to China. The resumption of the China aid may face rough going depending on the attitudes of the coalition parties.

The government decision was made in view of China's recent initiative in the maintenance of peace and stability in the Asia-Pacific region, such as its sponsorship of the ASEAN Regional Forum (ARF) working group on confidence-building measures.

Japan: Vice Defense Minister Inspects Chinese Tank Division

OW2108143996 Tokyo *KYODO* in English 1408 GMT 21 Aug 96

[FBIS Transcribed Text] Beijing, Aug. 21 KYODO — Japanese Vice Defense Minister Naoaki Murata on Wednesday inspected a People's Liberation Army tank division on the outskirts of Beijing.

Japanese journalists were permitted to accompany the vice minister for the first time at such an inspection.

At the sixth Tank Division Headquarters, Murata inspected a guard of honor and then viewed soldiers conducting firing and operation practice on a tank simulator.

Murata was then briefed on the division's activities while standing beside a Chinese-developed tank, armored transport car, and infantry combat vehicle.

The division's commander, Wu Yuhai, told Murata that his visit would lead to a strengthening of exchanges between the two countries.

Murata responded by telling Wu, "it is important that the two countries, which are influential in the Asia-Pacific region, should cooperate and promote mutual understanding."

Murata began a four-day visit to China on Tuesday for talks with military officials.

He is the highest-ranking defense agency official to visit China since May 1987 and since relations between the Japanese self-defense forces and the Chinese military were suspended after the bloody crackdown on pro-democracy supporters in Tiananmen square in 1989.

He is expected to meet Defense Minister Chi Haotian on Thursday.

Japan: Official Proposes Exchange of Visits of Defense Heads

OW2208092596 Tokyo *KYODO* in English 0836 GMT 22 Aug 96

[FBIS Transcribed Text] Beijing, Aug. 22 KYODO — Japanese Vice Defense Minister Naoaki Murata proposed Thursday in talks with China's leading defense official reciprocal exchanges of top military leaders next year during the 25th anniversary of the normalization of Sino-Japanese state relations.

A spokesman for Murata said Chinese Defense Minister Chi Haotian reacted positively to the proposal for exchanges with Japanese Defense Chief Hideo Usui, but did not immediately commit himself.

Murata further explained to Chi the new Japanese defense plan adopted last November and April's renewal of the Japanese-U.S. security arrangement, the spokesman said.

"I'm afraid of the Japanese-U.S. security arrangement overstepping its bilateral nature," Chi was quoted as saying.

"We have seen some tendencies of militarism in Japan...We cannot but pay attention to the tendency toward a revival of Japanese militarism," Chi said, in obvious reference to recent visits by Prime Minister Ryutaro Hashimoto and several Diet members to the Yasukuni shrine, a Shinto shrine dedicated to the war dead.

Murata is the highest-level Japanese military official to visit China since 1988 and since bilateral military exchanges between the Self Defense Forces and the People's Liberation Army (PLA) were suspended following the PLA's crushing of the Tiananmen democracy movement in 1989.

In an attempt to placate Chinese concerns, Murata stressed the defensive nature of Japan's military forces, said recent policy changes were not aimed at any one country, the spokesman said.

After his visit to a Chinese tank brigade Wednesday, Murata expressed hopes that the Chinese military would increase its transparency in military affairs, he said.

Chi touched upon the mainland's March military exercises in the Taiwan strait, merely saying, "other countries can say nothing concerning exercises held in our territory or over our territorial waters and air space."

He further refuted the idea of a "China threat," an idea that has become more widespread since the live military exercises and the ballistic missile tests in the Taiwan strait, the spokesman said.

Murata reiterated Japan's concerns with "the exercises which took place in commercial shipping lanes," he said.

Murata who arrived on his first visit to Beijing on Tuesday, left for Shanghai later Thursday after both sides agreed to expand communications in the defense sector.

Japan: Newspaper Reports Rumors of Jiang Zemin's 'Worsening Health'

OW2208082596 Tokyo SANKEI SHIMBUN
in Japanese 20 Aug 96 Morning Edition p 4

[By Masaru Soma]

[FBIS Translated Text] Hong Kong, 19 Aug — Various information hinting at PRC President Jiang Zemin's worsening health condition has been spreading in Hong Kong. It is reported that Jiang, who has just turned 70, is suffering from chronic heart disease and having difficulty performing his official duties. President Jiang is steadily making progress in establishing a political structure for the "post-Deng Xiaoping" period. However, there is speculation that his worsening health condition may become an "unexpected obstacle" that threatens his future.

President Jiang's 70th birthday was 17 August. However, no official events were held on 17-18 August, and the PRC official media reported nothing about Jiang's activities on those days. According to a well-informed source in Hong Kong, President Jiang has recently been so exhausted from his hectic duties that he is taking complete rest at his house in Beijing.

Various rumors about Jiang's health condition have spread in Hong Kong before. Since being promoted to general secretary of the CPC Central Committee by Deng Xiaoping right after the Tiananmen Incident in 1989, Jiang's chronic heart disease has worsened with his heavy responsibilities. It is said that Jiang sometimes has to suspend his official duties because of a heart attack.

The well-informed source also says that Jiang is accompanied by his personal medical team on his trips abroad, to be prepared for any contingency, and that he is given medical treatment regularly.

According to CHENG MING and TUNG HSIANG, politically neutral magazines familiar with CPC internal affairs, President Jiang received a thorough medical examination at a military-affiliated hospital in Beijing after attending the UN General Assembly in October and the Asia-Pacific Economic Cooperation (APEC) forum in November 1995 because of the high risk of a heart attack caused by fatigue from the round trip.

Jiang's personal medical group, led by doctors from the military-affiliated hospital, was strengthened last June by increasing the number of teams from four to six, and a setup for 24-hour medical treatment has been established.

Jiang was inaugurated as president in spring 1993 and thereby secured the "three great powers" — president,

CPC Central Committee general secretary, and CPC Central Military Commission chairman — which means that he is the leader of the state, the party, and the military. By appointing many top officers, including generals and lieutenant generals, Jiang showed his power in the military, where he has a relatively weak power base. Moreover, it has been decided that slogans written by Jiang will be posted along with slogans by the late Chairman Mao Zedong and Deng Xiaoping, which give instructions to units at the regiment level or above. In this way, President Jiang is steadily gaining power in the military.

It is strongly believed in Hong Kong that "the basis of the president's power has been strengthening, and the structure of power succession is being consolidated" (according to a Chinese source).

Meanwhile, it is also widely believed that President Jiang will most likely need to take special care about his health condition for some time to come.

Japan: PRC Journalist Interviewed on Post-Deng Xiaoping Power Struggle

OW2208074796 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 21 Aug 96 Morning Edition p 8

[Interview with former RENMIN RIBAO commentator Wu Guoguang by Hiroshi Murayama, NIHON KEIZAI SHIMBUN Hong Kong bureau correspondent; place and date not given; first paragraph is interviewer's introduction]

[FBIS Translated Text] Chinese leaders are playing tug-of-war over positions in the post-Deng Xiaoping regime and economic policies, with the 15th National Congress of the CPC expected to be held as early as autumn of 1997. I asked former RENMIN RIBAO commentator Wu Guoguang about the outlook of the Chinese political situation and other issues. Wu was involved in working out a draft of a speech by former General Secretary Zhao Ziyang and is now widely known as a journalist in Hong Kong and other places. [Murayama] President Jiang Zemin (CPC general secretary) has revised the Deng Xiaoping policy of approving a voluntary market economy in every region, and he has heightened the color of government centralization. What do you think about that?

[Wu] President Jiang Zemin's policies have a strong color of ideology, following the political method of the late President Mao Zedong. For example, he has advocated "talk about politics." Since the Deng policy has created distortions such as an expanded disparity in wealth among regions, President Jiang Zemin has partly adopted the Mao Zedong method. However, this is limited to a minor adjustment because there is

strong opposition from the new bureaucratic classes and entrepreneurs who have appeared following the reform policy.

President Jiang Zemin still follows the Deng Xiaoping line, he is just following the left-wing idea (of attaching importance to equality). Since President Jiang Zemin is a realist, he will possibly follow the right-wing idea (or the law-abiding principle) depending on the situation. He swung between left and right in the past.

[Murayama] How is President Jiang Zemin assuming power?

[Wu] Mr. Deng Xiaoping has lost his political influence. Nevertheless, since he is still alive, the three healthy patriarchs — former President Yang Shangkun; Wan Li, former chairman of the National People's Congress' [NPC] Standing Committee; and Song Ping, former CPC Standing Committee member — cannot match Deng Xiaoping in power. As long as Deng Xiaoping is alive, discontented elements cannot challenge President Jiang Zemin (who was chosen by Deng) by putting up the patriarchs.

[Murayama] What do you think of the mind of the patriarchs?

[Wu] Mr. Deng Xiaoping maintained the status quo in politics and opened up things only in the economy. If Deng Xiaoping is considered the standard, Wan Li has a strong intention to reform politics. Song Ping is more conservative than Deng Xiaoping in economic policies, and he is close to President Jiang Zemin. His influence has recently increased. Yang Shangkun has no fixed political idea. However, if Yang moves to seize power, he will probably pursue a way like that of Wan.

The time until the CPC Congress is extremely important. If Deng Xiaoping dies before the congress, someone may move to take power by calling various forces together. If Deng is alive until the congress, President Jiang Zemin can divide the various forces and get positive cooperation from influential persons.

[Murayama] Can he incorporate all the forces on his side?

[Wu] President Jiang Zemin and NPC Standing Committee Chairman Qiao Shi seem to have agreed not to violate each other's interests. President Jiang Zemin, approaching the human connections of former General Secretary Hu Yaobang as well, has appointed NPC Standing Committee Member Hu Jintao. Tian Jiyun, vice chairman of the NPC Standing Committee, is the only high-ranking official among close aides to Mr. Zhao Ziyang. Therefore, Mr. Tian Jiyun has no other choice but to cooperate with Qiao Shi, Chairman Li

Ruihuan of the Chinese People's Political Consultative Conference, and Yang Shaogkun.

Japan: Official Says Timing of WTO Ministerial Meeting 'Bad'

OW2108125796 Tokyo KYODO in English
1033 GMT 21 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — The inaugural ministerial meeting of the World Trade Organization (WTO) in December may not achieve hoped-for results because many nations are expected to be busy with other problems around that time, a senior Foreign Ministry official said Wednesday.

"The timing of the meeting is bad," the official said on condition of anonymity.

The United States cannot prepare a new policy on global trade until the gathering, scheduled for Dec. 9 to 13 in Singapore, because of its presidential election in November, the official noted.

He also pointed out that European Union member countries will not be fully ready for new global trade issues because they need to first address the question of introducing a common currency unit.

A general election to be preceded by the dissolution of the House of Representatives is also expected in Japan later this year or early next year, the official added.

The Geneva-based WTO is the global trade watchdog that replaced the General Agreement on Tariffs and Trade in January 1995.

Japan: MITI To Increase Financial Support for Growth Industries

OW2208082696 Tokyo KYODO in English
0812 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — The Ministry of International Trade and Industry will radically expand financial support for growth industries in fiscal 1997, ministry officials said Thursday.

The ministry hopes to give a boost to companies in promising fields such as telecommunications and biotechnology by promoting research partnerships among private, public and academic sectors, they said.

MITI will ask for 4.25 billion yen in fiscal 1997 under a program it began this fiscal year to encourage technological development in new industries, the officials said.

The figure compares with 250 million yen the program won for fiscal 1996.

It is "an unprecedented request for a budgetary increase" for financial support for private-sector research and

development, said an official of the Ministry of Industrial Science and Technology.

Under the scheme, companies will be asked to finance two-thirds of the cost of research and technology developed by university research institutes.

It also provides small, competitive grants to companies with two-thirds of their technology

Meanwhile, MITI will request 2 billion yen to develop a system for supporting joint research and development programs by regional companies and research institutes, the officials said.

The ministry is placing high hopes on the scheme because existing industries cannot compete in the new on research and development and are streamlining their operations.

Analysts fear Japan's research capabilities could hollow out given the move to moving output abroad.

MITI expects to press ahead with the financial programs for nurturing growth industries in which Japan is lagging far behind the United States and Europe.

Japan: Ex-MITI Officials Inve

OW2208043896 Tokyo SHUKA in Japanese 17-24 Aug 96 pp 1

[Article by Tadahide Ikuta from the "Kasumigaseki" series: "Appointments and Reverses by Intervention of Politics"]

[FBIS Translated Text] The official promotion and retirement of senior officials of the Ministry of International Trade and Industry (MITI) on 7 August, following the settlement of the semiconductor negotiations.

Tsutomu Makino, former director of the Industrial Policy Bureau, replaced Tsutomu Makino as acting administrative vice minister; Tsutomu Makino, former director general of the Industrial Policy Bureau, succeeded Yoshihiro Makino as deputy vice minister.

Osamu Watanabe, former director of the Ministry of International Trade and Industry and Information Industries Bureau, succeeded Tsutomu Makino as Industrial Policy Bureau director general; Tsutomu Makino, former director of the Ministry of International Trade and Industry and Information Industries Bureau, succeeded Tsutomu Makino as

Katsusada Hirose, former director general of the International Trade Administration Bureau, to Secretariat director; Yasuo Hayashi, former director general of the Basic Industries Bureau, to International Trade Policy Bureau director general; Takeshi Isayama, former deputy director general of the International Trade Policy Bureau, to International Trade Administration Bureau director general; Susumu Shirakawa, former director general of Policy Coordination in the minister's Secretariat, to Basic Industries Bureau director general; and Yoshio Ichiyanagi, former deputy director general of the Machinery and Information Industries Bureau, to director general for Policy Coordination in the minister's Secretariat.

In the 27 July issue, this column reported on the background of the promotion and retirement of the senior MITI officials, but this time an issue that was not mentioned in the last issue will be taken up.

In the previous report, I mentioned the powerful influence exerted over the current MITI personnel position changes by Prime Minister Ryutaro Hashimoto and Chief Cabinet Secretary Seiroku Kajiyama at the Prime Minister's Office.

The Prime Minister's Office made considerable complaints and demands against the "proposed position changes" worked out by Administrative Vice Minister Tsutsumi and minister's Secretariat Director Nakagawa. Factional strife within the ministry resulted in compelling the retirement of Masataka Nakano, director general of the Consumer Goods Industries Bureau, who had acted like the head of an "action corps" of a group "opposed to Masahisa Naito, former director general of the Industrial Policy Bureau."

Those who complained about the Tsutsumi-Nakagawa "personnel change plan" were not limited to those at the Prime Minister's office.

A man related to MITI said, "Tsutsumi consulted beforehand with former Vice Minister Hideaki Kumano, who had recommended him to be vice minister." He continued, "Former Vice Minister Yukiharu Kodama, currently chairman of the Central Bank for Commercial and Industrial Cooperatives, seemed to have been consulted, too. However, former Vice Minister Yuji Tanahashi seems to have been 'kept out of touch.'"

This view has the following meaning:

In the background of the December 1993 "dismissal of former Director General Naito, of the Industrial Policy Bureau," was intense discord between former Vice Ministers Kodama and Tanahashi. Those who were reported to have joined in driving out Director General Naito, of the Industrial Policy Bureau, reputedly on

good terms with Tanahashi, included senior officials headed by Akira Takashima, former director general of the Patent Office, who is on good terms with Kodama. In this connection, the quagmire factional strife, which has been going on until now within the ministry, is regarded to be a proxy war between "Kodama and Tanahashi."

In connection with the recent change of positions, Vice Minister Tsutsumi did consult Kumano, who is close to Kodama, but did not ask Tanahashi for opinions. At the level of incumbent bureaucrats, although the "anti-Tanahashi" group has lost the strength of the old days and at the level of former vice ministers who can influence personnel affairs, Tanahashi has nearly been robbed of a say in the affair.

The previously mentioned MITI-related official explains the situation as follows: "The former vice ministers can be classified roughly into two groups. Many old-generation former vice ministers, such as Yoshihiko Morozumi, Toshinobu Wada, and so on, were critical of 'Naito's dismissal.' Meanwhile, the comparatively young generation of former vice ministers, including Keiichi Konaga, now president of Arabian Oil Co., Ltd., Shinji Fukukawa, now president of Dentsu Soken Inc., and Yukiharu Kodama, were not necessarily so [critical]. It is my understanding that the former vice ministers' group topped by Konaga would tentatively listen to the opinion of the old-generation vice ministers but would rather proceed with their own way of thinking in matters related to important personnel affairs of incumbent and retired officials."

As a matter of fact, in connection with the recent personnel changes, the retired vice ministers' group headed by Kumano and Kodama was discontent with the "plan" worked out by Vice Minister Tsutsumi and Secretariat Director Nakagawa.

In fact, it was reported that the recent personnel affairs announcement had been amended as follows before it was made public (the former is the originally assigned position and the latter represents the recent announcement):

[Isayama] From director general of the Defense Agency Equipment Bureau to director general of MITI International Trade Administration Bureau.

[Director general of policy coordination at the minister's Secretariat] From Seiji Murata, director general of MITI Consumer Goods Industries Bureau, to Ichiyanagi.

[Deputy director general of the Machinery and Information Industries Bureau] From Shinichi Ota, deputy director general of the Natural Resources and Energy Agency, to Hirobumi Kono, former director general of

the Natural Resources and Energy Agency Petroleum Department.

Isayama, Ichiyanagi, and Kono among those listed above are leading MITI officials regarded as belonging to the "anti-Tanahashi" faction. The posts the trio recently assumed, the director general of the International Trade Administration Bureau, the director general of Policy Coordination at Minister's Secretariat, and the deputy director general of the Machinery and Information Industries Bureau, are pivotal positions that will eventually lead to the post of "vice minister."

With regard to this, a MITI senior division chief revealed his view, "The retirement of Takashima, former director general of the Patent Office, and Nakano, former director general of the Consumer Goods Industries Bureau, means removal of central figures from the 'anti-Tanahashi' faction." He added, "I think that former Vice Ministers Kodama and Kumano intended to reconstruct their front with Kono in the center."

Retired Officials' Feud Affects the Young Bureaucrats; Essential Point of Faction Is Deputy Director General of Machinery and Information Bureau

In the present MITI, as seen above, the incumbent vice minister and/or the director of the minister's Secretariat are not necessarily entrusted with the right to decide on personnel appointments of senior officials.

Powerful former vice ministers are intervening in personnel affairs and their mixed expectations and opinions are incessantly shaking up MITI's whole structure.

These retired officials' intervention in the personnel affairs of the incumbent bureaucrats is closely related to the maintenance of future posts where they themselves want to descend from heaven. These former vice ministers are desperately at work keeping disagreeable senior bureaucrats from taking the positions of vice minister and minister's Secretariat director, thus nipping such "buds."

As a result, the young and backbone bureaucrats who have nothing to do with retired officials' factional strife are being dragged into the feud. MITI has fallen into such a situation and it is extremely difficult for the ministry to get away from it.

A plurality of MITI bureaucrats pointed out, "Retired bureaucrats should not intervene in the personnel affairs of the incumbent officials. Those who have the right to personnel affairs, such as the vice minister, minister's Secretariat director, and the Personnel Division chief, should not be prepossessed with the old practice in the future and should rather carry out fair personnel affairs.

Otherwise, there is left no way of survival." I wonder whether the recently instituted new leadership headed by Administrative Vice Minister Makino can do it. If not, MITI will fall into far more serious confusion, to a desperate situation from which it cannot get away.

A point worthy of notice in the recent personnel appointments was who would assume the post of Machinery and Information Industries Bureau deputy director general. As seen above, it was finally decided to promote Kono, former chief of the Natural Resources and Energy Agency Petroleum Department, to that position. Why were the people concerned interested in that "deputy-director-general" level position?

It derives from no other reason than that the Machinery and Information Industries Bureau deputy director general holds the right of distributing what they call the biggest "right," the Japan Bicycle Racing Association's bicycle racing fund.

Bicycle racing, one of the publicly managed gambling races, is under MITI's jurisdiction. Through the Japan Bicycle Racing Association, its earnings are distributed not only among bicycle and MITI-related machinery industries, but also for encouragement and promotion of physical education and social welfare, and improvement of medical treatment and public sanitation and public enterprises in the fields of education, disaster relief, and assistance.

The Machinery and Information Industries Bureau is charged with deciding on who is going to receive the distribution; but in fact, the bureau's deputy director general and general affairs division and the division's deputy chief are said to be in charge from the top down.

A MITI-related source said, "Although the Machinery and Information Industries Bureau director general is the topmost responsible man as a matter of formality, he does not interfere with the matter." He continued, "Thus, the deputy director general decides annually who is going to receive portions of earnings in the amount of tens of billions of yen. Due to its flexibility in comparison to the government budget, the money has become a convenient "financial source" for MITI. The reason the Machinery and Information Industries Bureau deputy director general is called the "second director of the minister's Secretariat" within MITI is because he can handle more money freely than the director of the minister's Secretariat can."

As a matter of fact, reportedly some deputy director generals utilized the bicycle racing fund as a MITI bureaucrats' "lubricant" and sometimes as a tool for their own success in life.

Such being the case with the deputy director general, it naturally becomes a matter of big concern which faction holds the post when factional strife gets serious within the ministry.

On this matter, a leading MITI official explained, "It is now a publicly known fact that MITI is engulfed by factional strife. Then, to avoid any more misunderstanding, a "neutral" senior official must be appointed to the post of Machinery and Information Industries Bureau deputy director general, which has something to do with the controversial money. The current guesswork in connection with the recent appointment to the Machinery and Information Industries Bureau deputy director general post testifies to the fact that the level of factional strife is that much downgraded."

Besides this bicycle racing fund, I would like to make a detailed report on the relation between the bureaucrats and publicly managed gambling, such as horse and speedboat races.

Japan: Firm Plans To Increase Satellite, Rocket Component Exports

OW2208020996 Hong Kong AFP in English
0137 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug 22 (AFP) — Japan's Ishikawajima-Harima Heavy Industries Co. Ltd. (IHI) plans to launch exports of rocket and satellite equipment in anticipation of growing satellite business demand, a company spokesman said Thursday.

As a first step, the major heavy machinery maker aims to sell experimental devices to the U.S. National Aeronautics and Space Administration (NASA) for a joint space-station project with Japan and Europe, he said.

"We have been selling space-related equipment only to Japan's National Space Development Agency," the spokesman told AFP. "Now we aim to expand our space businesses to the world market."

IHI was one of the major suppliers toward Japan's H-2 rocket, which in a Saturday launch successfully placed Japan's biggest-ever satellite in orbit as part of a joint 1.2-billion-dollar project with the United States and France.

But IHI's space-related businesses have been limited to the domestic market, with sales of 15 billion yen (139 million dollars) accounting for only 1.7 percent of overall IHI revenue.

"With planned exports to the world market, we hope to increase sales of our space-related businesses to 20

billion yen in five years and 40 billion yen in 10 years," he said.

Satellite businesses are expected to continue growing on the back of brisk demand for international telecommunications, including cellular-phone services through satellite, he said.

Japan: Sakigake Chief Announces Plan To Launch New Party in Sep

OW2208050996 Tokyo KYODO in English
0502 GMT 22 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — New Party Sakigake Chief Secretary Yukio Hatoyama and six other legislators have agreed in principle to form a new party in September, sources close to Hatoyama said Thursday.

Under the agreement, each of the legislators will leave their respective parties around Sept. 10 and appeal to some other lawmakers from Sakigake, the Social Democratic Party (SDP) and a small group called the Citizens' League to join the party, they said.

Sakigake and the SDP are part of the tripartite ruling coalition led by Prime Minister Ryutaro Hashimoto of the Liberal Democratic Party.

The six other legislators include Kunio Hatoyama, a brother of Hatoyama and a lawmaker and member of Shinshinto, Hirotaka Akamatsu of the SDP and former Hokkaido Gov. Takahiro Yokomichi, they said.

The founding members expect some 25 lawmakers to join the party and have yet to reach a consensus on whether to allow all members of Sakigake and the SDP to join the party, the sources said.

Sakigake leader Masayoshi Takemura wants to see his party to form itself into a new party, possibly with some elements of the SDP.

The agreement, reached at a meeting in the summer resort town of Karuizawa in Nagano prefecture last Saturday, also calls for efforts to have Hajime Funada, a pro-reform lawmaker of the opposition conservative party Shinshinto (New Frontier Party), join the new party, the sources said.

Japan: Hatoyama Said Reluctant To Have Sakigake Head in New Party

OW2108142796 Tokyo KYODO in English
1345 GMT 21 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 21 KYODO — Yukio Hatoyama, the driving force behind a new political party, has expressed reluctance to have his

current boss, New Party Sakigake chief Masayoshi Takemura, in the proposed party, Sakigake sources said Wednesday.

Hatoyama, Sakigake's chief secretary, told reporters in Okayama Prefecture in western Japan he cannot accept a four-point proposal, including an agreement between himself and Takemura, on the new party.

The four-point proposal was presented to Hatoyama at a meeting of the Sakigake leadership Tuesday, the sources said.

Specifically, Takemura and other senior Sakigake officials pressed Hatoyama to accept the proposal before proceeding with the new party plan.

The proposal calls for a Hatoyama-Takemura accord, realizing an administrative reform-oriented government, achieving objectives of Sakigake's policies since its inception, and unanimous acceptance of the three points by all Sakigake members, the sources said.

The four-point proposal was initially drawn up by Economic Planning Agency chief Shusei Tanaka and polished by Tanaka, Sakigake's deputy chief Hiroyuki Sonoda, and Health and Welfare Minister Naoto Kan.

But Hatoyama said in Okayama Prefecture Wednesday evening that the four-point proposal is "too high a hurdle" for members of the largest opposition Shinshinto (New Frontier Party) to jump ship to join the new party.

Hajime Funada, a key Shinshinto rebel, said he will not join the new party so long as Takemura, a former finance minister, is part of the scheme.

Sakigake is the smallest bloc in the ruling coalition, which also includes the Liberal Democratic Party and the Social Democratic Party.

Japan: NTT Docomo Develops New Mobile Data Transfer Technology

*OW2208041696 Tokyo KYODO in English
0356 GMT 22 Aug 96*

[FBIS Transcribed Text] Tokyo, Aug. 22 KYODO — NTT Mobile Communications Network Inc. (NTT Docomo) has developed new mobile telecommunications technology for sending 2 megabits of data per second to any place in the world from one terminal, a company spokesman said Thursday.

In experiments with the code division multiple access (CDMA) method, the company was able to transmit the huge amount of data using an energy-saving digital signal processor, the spokesman said.

The company hopes that its technology will be adopted by the International Telecommunication Union, which

is looking to standardize future public land mobile telecommunication systems (PLMSTs) to start services around the year 2000, he said.

NTT Docomo will seek tie-ups with European, U.S. and South Korean telecommunications companies with the goal of making its telecommunication method a global standard, the spokesman said.

Demand is expected to grow for the next-generation mobile telecommunication service using the 2-gigahertz frequency since there is a limit to the efficient use of frequencies under the current systems, he said.

Japan: Kan Suggests Peak Already Passed in E. Coli Epidemic

*OW2208081496 Tokyo KYODO in English
0745 GMT 22 Aug 96*

[FBIS Transcribed Text] Osaka, Aug. 22 KYODO — Health and Welfare Minister Naoto Kan indicated Thursday that the government may be able to declare by the end of this month that the peak has already been passed in the food poisoning epidemic caused by the O-157 E. Coli Bacillus.

"There are no new cases of infection and I hope we can make public a bright outlook," Kan said while visiting the Osaka Prefectural government.

Kan said ministries related to the O-157 epidemic will hold a meeting next Tuesday after indicating that the corner may have been turned in the food poisoning outbreak that has killed 10 people and infected more than 9,500 others nationwide.

Kan visited the office of Osaka Gov. Knock Yokoyama for the fifth time since Aug. 6 to discuss the possibility the epidemic may have been caused by white radish sprouts produced at a farm in the prefecture. The sprouts are suspected because they were a common ingredient in school lunches in the city of Sakai served July 8 and 9.

Although suspected as a possible source of the epidemic, the sprouts have not been positively identified as causing the food poisoning.

"I have listened to detailed results of inquiries into sprout producers and we are arriving at a conclusion to the issue," Kan said.

The health minister also visited Sakai city hall to meet with officials there and discuss the current situation after the implementation of the infectious diseases control law. Two children have died and more than 6,500 people, mostly schoolchildren, infected in the city.

North Korea

DPRK: U.S. Urged To 'Accede' to Proposal for Peace Agreement

SK2208035996 *Pyongyang Korean Central Broadcasting Network in Korean*
0753 GMT 21 Aug 96
— DPRK-owned central radio network

[Unattributed talk: "The United States Should Accede to Our Proposal for a New Peace Mechanism as Soon as Possible"]

[FBIS Translated Text] The great leader [suryong] Comrade Kim Il-song taught: To ease tensions and guarantee peace on the Korean peninsula is an important question to be resolved first of all to achieve our country's reunification in a peaceful way.

In February, we proposed to the United States that as the least systemic mechanism to prevent an armed conflict and war on the Korean peninsula, a tentative agreement [chamjong hyopchong] be signed to replace the Armistice Agreement until the conclusion of a complete peace agreement. Our proposal is the most reasonable and just proposal put forward, taking into consideration the U.S. policy toward the DPRK, the current state of DPRK-U.S. relations, and the situation of the Korean peninsula that is driven into an unpredictable phase; it should be realized as soon as possible.

In order to achieve peace on the Korean peninsula, the most important thing is to prepare a peace mechanism. We and the United States, which wears the cap of the United Nations, confront with each other with the Military Demarcation Line [MDL] in between; they are in hostile relations. As regards the Armistice Agreement, it has now become a mere scrap of paper that can make no contribution to guaranteeing peace on the Korean peninsula. With the broken supervisory body which observed the ceasefire, a situation that cannot guarantee security is being created.

The United States and the South Korean puppets have turned South Korea into the largest weapon repository, the most dangerous nuclear base, and the greatest barrack in the world by reinforcing forces of aggression there, and by even bringing nuclear weapons into South Korea. The southern part of DMZ is not a military buffer zone, but a vital border area in which a war may break out at any time even by an individual soldier's mistaken shooting; DMZ has turned into a complete armed zone, a heavily armed zone [kunsabungyeson namchok chiyogun kunsajok wanchungjidaega anira kaebyolchok pyongsai obalsagoe uhaesodo imui sungane chonjaengi tojilsu innun chomyehan chonjaeng chopkyong chidaero toossumyo pimu-

janggidaenun wanjon mujangjidae chungmujangjidaero hwahaessumnida].

The purpose of the Armistice Agreement was to suspend war first and to resolve the Korean issue in a peaceful way later. However, as soon as it signed the Armistice Agreement, the United States ruptured the holding of a higher-level political talks stipulated in Article 60 of the agreement. As a result, the road to the purpose of the agreement was completely blocked out.

The Armistice Agreement has become rather useless for guaranteeing peace on the Korean peninsula. As a matter of fact, the Armistice Agreement has no function or role as a mechanism to prevent war. What cannot be overlooked is that the new war provocation maneuver by U.S. military forces and the South Korean puppets are rather being conducted in a severe stage.

Based on the so-called logic of force that North-South issues can be resolved only by military forces, their maneuver is a preliminary war beyond the exercise level. The reckless war maneuver by bellicose U.S. military forces [hojonjogin migunbu seryok] and the South Korean puppets is creating a touch-and-go, dangerous situation [ilchok chukparui wihomhan chongse] on the Korean peninsula.

All circumstances prove that it is imperative to prepare at least a minimum systematic mechanism to prevent an armed conflict and war on the Korean peninsula [cheban sataenun chosonbandoeso mujangchungdolgwa chonjaengul makkiwihan choesohanui chedojok changchirado maryonhaji anumyon andoendanungosul silchunghaejugo issumnida]. Our proposal for signing a DPRK-U.S. tentative agreement stems from this realistic demand.

We insist on guaranteeing complete, comprehensive, and durable peace on the Korean peninsula, and recognize that to this end, a peace agreement should be signed between the DPRK and the United States. Therefore, we put forward the proposal to replace the paralyzed Armistice Agreement with a tentative agreement as a minimum systemic mechanism to prevent an armed conflict and the recurrence of war on the Korean peninsula and even maintain the ceasefire peacefully.

The proposed tentative agreement includes terms on matters concerning security and order — such as management of MDL and DMZ; ways to settle armed conflicts or unexpected incidents, if any; organization of a joint military body, as well as its duties and rights; the amendment and supplement of the tentative agreement. The tentative agreement will replace the Armistice Agreement until a complete peace treaty is signed.

We want peace and maintain the position that a peace mechanism should be prepared on the Korean peninsula as soon as possible. The United States is also talking about the ease of tensions and peace on the Korean peninsula. Under this situation, there is no reason for the United States not to accede to our proposal for the conclusion of a tentative agreement.

An agreement on nonaggression between North and South Korea has been adopted and effectuated; and a North-South joint military organization has also been inaugurated. The direct parties concerned with the Armistice Agreement are the DPRK and the United States; and the United States has the real authority on South Korea's security. Therefore, when the matter of establishing a peace mechanism is settled between the DPRK and the United States, other issues can be resolved easily.

The United States should accede to our proposal for the conclusion of a tentative agreement. If it refuses to do so and insists on maintaining the Armistice Agreement, this cannot but be regarded as its intention to go to war [chonjaengul hagettanun kosurobakke talli polsu opsumnida]. When a tentative agreement is signed between the DPRK and the United States, an epochal phase will open for the peace and peaceful reunification of the Korean peninsula, and this will also make a great contribution to peace in Asia and the world.

DPRK: 20 Aug U.S.-ROK Joint Aerial War Drills Reported

SK2208025896 *Pyongyang KCNA in English*
0222 GMT 22 Aug 96 — Official DPRK news agency

["War Drills Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The U.S. imperialists and the South Korean puppets staged adventurous aerial war drills on Aug. 20 within the framework of the aggressive joint military maneuvers Ulchi Focus Lens, military sources said.

Dozens of overseas-based pursuit planes and pursuit-assault planes carried out a long-distance bombing exercise of making a surprise attack on targets and fleeing in the sky above Sangdong, South Korea.

Scores of carrier-based assault planes belonging to the U.S. Pacific fleet flew from Japan to South Korea for a joint air war exercise in cooperation with some 640 fighter-bombers, assault and reconnaissance planes belonging to the U.S. Seventh Air Force and the puppet air force.

Dozens of large aircraft transported quantities of combat equipment and lethal weapons for the Ulchi Focus Lens

from the U.S. mainland and Pacific bases to the U.S. air bases in South Korea, inciting war fever.

DPRK: More on Pomchonghangnyon News Conference in Pyongyang

SK1908140896 *Pyongyang KCNA in English*
1351 GMT 19 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 19 (KCNA) — Delegates of the north, South and overseas of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) called a joint press conference here today to denounce the Kim Yong-sam group's crackdown on the South Korean Federation of University Student Councils (Hanchongnyon).

The delegates were Kim Yong-to, director of the secretariat of the North headquarters of Pomchonghangnyon; Cho Son-ho, director of the joint secretariat of the overseas headquarters; and Yu Se-hong and To Chong-hwa from "Hanchongnyon," which represents the South headquarters.

Some documents were published at the press conference.

The joint statement of delegates of the North, overseas and South headquarters of Pomchonghangnyon urged the Kim Yong-sam regime to stop the suppression of "Hanchongnyon" and release the unreasonably arrested patriotic students without delay.

It also demanded that the regime stop branding the patriotic students' desire for reunification as "benefiting the enemy" and compensate all students who were heavily or lightly injured.

"We hope that the workers, farmers, conscientious religionists, pressmen and other people and personages of South Korea will express full support and sympathy for the student struggle and increasingly protest and denounce the Kim Yong-sam regime's fascist suppression of 'Hanchongnyon,'" said the joint statement.

The "Hanchongnyon" delegates in another statement said the grand reunification festival of Pomchonghangnyon that had been expected to be held in Seoul on August 15 could not but take place in Pyongyang because the South Korean authorities did not allow it and blocked it. That is why they came to North Korea and attended the general meeting in Pyongyang and a joint conference at Panmunjom as decided by a meeting of their Central Committee, they added.

"We did so not to attend all reunification events in North Korea unconditionally and blindly but to convey congratulations to the North Koreans desirous

of reunification and renew the ardour for reunification as delegates of South Korea," they said. "It is deplorable that the students who call for reunification are branded in South Korea as 'benefiting the enemy' and 'violent.'"

A letter to the progressive youth and student organisations around the world was also published at the press conference.

DPRK: Students' Resistance to ROK Police Reported

SK2008035596 *Pyongyang KCNA in English*
0328 GMT 20 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — More than 10,000 South Korean police ringing two Seoul-based Yonsei campus buildings held by students have heaped pressure on them to surrender, according to a REUTERS report on Sunday.

The students, though they were exhausted, undauntedly resisted the police, threatening to explode gas cylinders if police storm the buildings to arrest them, said the report.

According to another report, the fascist clique arrested 2,310 students and detained 50 students as of Monday morning for their activities for reunification around August 15, the day of the country's liberation.

They have kept 55 police companies in position around Yonsei campus alone. They have also deployed more than 20,000 riot police of 177 companies in different parts of Seoul, brutally cracking down on students' demonstrations.

Meanwhile, some 1,500 students affiliated with the South Korean Federation of University Student Councils (Hanchongnyon) gathered at Hongik and two other campuses and the Myongdong Cathedral in Seoul and vowed to launch activities supporting Yonsei students.

The fascist clique have charged "Hanchongnyon" with such "activities benefiting the enemy" as the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification. On the 17th and 18th, they sent more than 800 riot police to Chosbuk National University and carried out a wholesale search at six campuses including Korea University.

On Monday, the Supreme Public Prosecutor's Office and the Police Agency issued an emergency order to prosecution and police throughout South Korea to arrest 82 leading members of "Hanchongnyon" including Chairman Chong Myong-ki for the reunification festival, and spread police dragnet.

The puppet prime minister, Yi Su-song, released a "special statement" that day, threatening to "severely penalize" the demonstrators, while the police chief said all means including use of weapons would be employed to crack down on the students' demonstrations and sit-in.

DPRK: Hanchongnyon Berates ROK Regime for 'Suppression'

SK2208051096 *Pyongyang KCNA in English*
0303 GMT 22 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The Federation of South Koreans in Japan for Democracy and Unification (Hanchongnyon) issued a statement on Monday saying the Kim Yong-sam regime of South Korea is wholly responsible for the August 15 bloodbath aimed at obliterating the South Korean Federation of University Student Councils (Hanchongnyon).

The statement said:

The South Korean regime have suppressed "Hanchongnyon" students and members of the National Alliance for the Country's Reunification (Pomminnyon), describing their call for the withdrawal of U.S. troops from South Korea, the abolition of the "National Security Law" and the reunification of the country through confederacy as an "act benefiting the north, the enemy". This is a illogical thing reminding one of treachery and separatists "condemning" patriotism and the reunification forces.

The Kim Yong-sam regime must discontinue the brutal armed suppression of patriotic-minded students and champions of reunification and withdraw police from Yonsei University at once.

It must also stop trying to disorganize "Hanchongnyon", ensure its legal status and freedom of its activities and immediately release the arrested students and people who are fighting for reunification.

DPRK: ROK Radio Cited on Storming of Yonsei University

SK2108042996 *Pyongyang KCNA in English*
0329 GMT 21 Aug 96 — Official DPRK news agency

[S. Korean Students Resist 'Commandos' — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — The Kim Yong-sam fascist clique of South Korea, on Tuesday, had four helicopters hovering over three Yonsei University buildings held by students and

more than 12,000 police and armoured cars ringing the buildings, a Seoul-based radio reported.

The helicopters dumped down tons of tear gas solution and more than 2,500 plainclothes "commandos" stormed the General and Science Blocks of the campus.

The police arrested some 500 students including wounded students. But about 1,500 students left the buildings, vowing to continue fighting against the Kim Yong-sam group.

That day an estimated 3,300 students were taken away in a demonstration by the police.

DPRK: ROK Hanchongnyon Chairman Holds News Conference

*SK2208050196 Pyongyang KCNA in English
0312 GMT 22 Aug 96 — Official DPRK news agency*

["Hanchongnyon" Vows to Continue Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — A student Chong Myong-ki, chairman of the South Korean Federation of University Student Councils (Hanchongnyon), who is wanted by the fascist clique, called a press conference after thousands of ~~releasing~~ students were walked away by police from Yonsei University on August 20, a Seoul-based radio said.

He said that the responsibility for the recent developments rests wholly on the "government" that totally blocked the August 15 reunification events.

Clarifying the direction of the struggle of "Hanchongnyon", he added that the organisation would continue an all-night sit-in and stage a protest demonstration every Saturday until all the arrested students are set free.

The students whom the fascist clique has so far arrested number 5,715.

An emergency measure committee consisting of tens of dissident organisations, including the National Alliance for Democracy and Reunification and the General Federation of Democratic Trade Unions, held a rally on August 21 to urge the "government" to apologize for the brutal suppression, immediately release the arrested students and hold an open forum for guaranteeing a broad debate on reunification.

DPRK: CPRF Statement Denounces 'Suppression' of Hanchongnyon

*SK2108045396 Pyongyang KCNA in English
0338 GMT 21 Aug 96 — Official DPRK news agency*

["CPRF Urges End to Suppression of 'Hanchongnyon'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — The Committee for the Peaceful Reunification of Fatherland (CPRF) released a statement on Tuesday denouncing the suppression of the South Korean Federation of University Student Councils (Hanchongnyon) by the Kim Yong-sam group as an intolerable anti-national crime for obliterating the South Korean patriotic forces for independence, democracy and reunification and dampening the whole nation's desire for reunification and as a truculent fascist outrage against justice and human rights.

It also urged an immediate release of the arrested students and patriotic-minded people.

The traitor Kim Yong-sam of South Korea, at a "party and government caucus meeting" on August 16, called for wholly suppressing "Hanchongnyon" for the sixth grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) it held to commemorate the day of the country's liberation, August 15. On the 17th, the prosecution issued arrest warrants for all the leading members of "Hanchongnyon" to bring them to trial for their "enemy-benefiting activities".

The statement said that the Kim Yong-sam group's suppression of the students is as good as the May 18 outrage and the Kwangju bloodbath by the Chon Tu-hwan-No Tae-u group.

The statement noted:

While calling for dialogue with the North, the Kim Yong-sam group are suppressing activists for reunification. If they truly want to negotiate with the North, they must stop the suppression and ensure free discussion of reunification.

The statement expressed the hope that the South Korean people and the world's honest-minded people who love justice and truth and desire Korean reunification will fully support the patriotic struggle of "Hanchongnyon".

DPRK: ROK's Students 'Suppression' Likened to Kwangju Incident

SK2108061696 Pyongyang Korean Central Broadcasting Network in Korean

1223 GMT 20 Aug 96
— DPRK-owned central radio network

[Commentary by Kim Ho-sam: "Extremely Ruthless Atrocity That Revived the Kwangju Incident"]

[FBIS Translated Text] For nine days beginning on 12 August, a bloody incident took place in and around Yonsei University in Seoul that surprised the world and enraged the nation. To suppress the South Korean college students who participated in the 15 August grand reunification festival with one will to contribute to the conciliation and unity of the nation, and for the peace and peaceful reunification of the country, the Kim Yong-sam ring mobilized huge armed forces of suppression and conducted the most brutal and beastly, suffocatingly suppressing operation.

The fascist clique mobilized a police force of over 100,000- strong, 50 helicopters, armored cars, and bulldozers, to completely block Yonsei University. The police repeatedly attacked from the sky, the front and back gates, randomly fired tear gas, and cut water, power, food, and medical supplies. Many students suffocated due to the gas, and fell, exhausted. The disastrous scene was an unbearable sight. Such a savage and fascist suppression and fratricidal massacre cannot be found in the history of any country in the world. The suppression equipment, the brutality and savageness, indicates that this is a Seoul revival of the bloody 1980 Kwangju incident.

On 19 August, the puppet prime minister issued some special statement and raved in anger that the authorities will staunchly punish demonstration leaders and students who committed violence. The puppet director of the National Police Agency openly raved that firearms, repeat firearms, will be used to suppress violent demonstrations. On the early morning of 20 August, special suppression units were mobilized. Under the protection of helicopters, they ruthlessly suppressed the sit-in students in the Science Hall and General Hall of Yonsei University.

The number of students arrested by the fascist clique during the nine days beginning on 12 August numbered as many as 5,000. Injured students exceeded 1,000 in number. In league with the youth and students in the North and overseas, the students gathered together at the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification [Pomchanghangnyon] and merely demanded the withdrawal of U.S. Forces, as desired by the 70 million compatriots, demanded the signing of a peace agreement between the Republic and the United States, and demanded reunification as a confederal state. They merely held a peaceful rally and demonstration at a university.

Their just act was branded as beneficial to the enemy, pro-North, and violent. Mammoth suppression forces capable of fighting a war were mobilized to conduct the three-dimensional operation in the sky and on the land, turning the campus into a battlefield of bleeding students. What more brutal fascist tyrant and enemy of reunification than this?

We cannot but take issue with traitor Kim Yong-sam's rash, antinational, and antidialogue acts calling for dialogue with us while randomly suppressing the youth, who want to join hands with us to reunify the country. The reunification of the country is a task involving national history. To accomplish the task, not only the authorities, but every party, faction, and stratum of life in the North and South interested in the fatherland's reunification, should join in.

Such atrocious and savage suppression was enforced on those who advocated national conciliation and unity, and reunification under a confederal state. Who can believe the rascals' advertising of dialogue? The Kim Yong-sam ring's clamoring about dialogue is a lie and an insult to the nation. The true nature of the traitor Kim Yong-sam, who is crazy about fascism and division, is vividly disclosed to the whole world. The Kim Yong-sam ring is a group of people wearing civilian masks, who more brutally obstruct reunification and suppress the people than the military dictators.

The traitors Chon Tu-hwan and No Tae-u, who committed the 18 May fascist violence and the Kwangju massacre 16 years ago, are now in prison taking responsibility of the incidents. The traitor Kim Yong-sam will also take the responsibility of the 15 August incident and go to the prison. He can never evade the destiny of being tried and sentenced. The Kim Yong-sam ring mobilized armored cars and bulldozers onto the sacred campus in broad daylight, flew helicopters in the sky, showed its fascist frenzy, and revived the second Kwangju disaster. Generation after generation, the South Korean people will work thoroughly to undo the Kim Yong-sam ring's crime that will be intolerable in thousands of years.

The day is not far away when the Kim Yong-sam ring will receive a staunch trial by the South Korean people.

DPRK: DFRF Denounces ROK Group for Student 'Suppression'*SK2208040396 Pyongyang KCNA in English*
0225 GMT 22 Aug 96 — Official DPRK news agency

[DFRF Central Committee Denounces Kim Yong-sam Group for Brutal Suppression of Students" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The Central Committee of the Democratic Front for the Reunification of the Fatherland released a statement on Wednesday denouncing the Kim Yong-sam fascist clique for the brutal suppression of the South Korean Federation of University Student Councils (Hanchongnyon) in its activities for reunification around August 15, the day of the country's liberation.

The statement said:

The Kim Yong-sam group mobilized more than 100,000 heavily-armed riot police to crack down on the students' peaceful festival for reunification and took away some 5,700 students. For this fascist outrage indelible down through generations to come, they will face a judgement by the nation.

The traitor Kim Yong-sam, who is responsible for the August 15 bloodbath, will be put into a gaol and brought to trial like Chon Tu-hwan and No Tae-u, who committed the May 18 outrage in Kwangju.

The South Korean [words indistinct] must promptly stop the wholesale suppression of "Hanchongnyon", acquit all the arrested and unconditionally abolish the "National Security Law" and all other anti-reunification laws.

DPRK: SDP Denounces ROK for 'Fascist Suppression' of Students*SK2208041396 Pyongyang KCNA in English*
0228 GMT 22 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The Korean Social Democratic Party [SDP] will continue to extend active support to the pro-reunification democratic forces of South Korea and broad segments of the people in their just and courageous struggle for independence, democracy and reunification, said the Central Committee of the Korean Social Democratic Party in a press statement dated August 21.

In the statement the party denounced the Kim Yong-sam group's brutal, bloody fascist suppression of the students participating in the August 15 pan-national rally and the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification

(Pomchonghangnyon) as a challenge to the desire of the nation for reunification and the violation of human rights and democracy.

The statement said:

The recent suppression by the Kim Yong-sam group is an "August 15 Seoul violence" which shocked the world as much as the "May 18 Kwangju violence" by Chon Tu-hwan and No Tae-u murderers.

Difference is that Chon and No were helmeted military hooligans and that Kim Yong-sam is a "civilian" veiled hooligan.

The Kim Yong-sam group's violence is a last-ditch effort of those doomed to ruin.

Political parties, groups and people from all walks of life in South Korea should turn out in a more valiant struggle to punish Kim Yong-sam as well as Chon and No, scrap the "National Security Law" against reunification and get the arrested students and patriotic figures released.

DPRK Paper Calls ROK's Students Suppression 'Bloodbath'*SK2208044396 Pyongyang KCNA in English*
0315 GMT 22 Aug 96 — Official DPRK news agency

[Papers Comment on Bloodbath in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — Papers here today describe the bloodbath against the August 15 grand reunification festival of South Korean students by the Kim Yong-sam "civilian" fascist clique as repetition of the Kwangju massacre by the Chon Tu-hwan and No Tae-u murderous group 16 years ago.

In the August 12-20 suppression of the festival, as brutal as the Kwangju massacre in May 1980, more than 100,000 riot police of some 800 companies and 47 helicopters were mobilized, 16,000 boxes of multiple tear gas canisters fired, 1,200 wounded and 5,000 students taken away.

NODONG SINMUN says in a commentary:

The Kim Yong-sam group are truculent fascists who do not hesitate to brutally suppress compatriots for their own comfort and political greed.

As the traitors Chon Tu-hwan and No Tae-u are kept behind bars, waiting for the execution of their sentences, for the massacre of thousands of Kwangju people in an uprising for independence, democracy and reunification, the traitor Kim Yong-sam will have to pay dearly for

the August 15 bloodbath and will be sternly judged and punished by the people.

DPRK: Youth, Students Visit ROK Delegates on Hunger Strike

SK2208094296 *Pyongyang KCNA in English*
0910 GMT 22 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — Representatives of young people and students in Kaesong today visited Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils (Hanchongnyon), who are on a hunger strike. [word indistinct] The representatives encouraged the fasting South Korean students and handed them comfort materials.

In another development, young people and students in Kaesong held a rally denouncing the Kim Yong-sam group's brutal crackdown on "Hanchongnyon."

DPRK: Articles Released by ROK Hanchongnyon Delegates

SK2208101596 *Pyongyang KCNA in English*
0908 GMT 22 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — Students Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils (Hanchongnyon), which represents the South headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) came out to the balcony of Panmun House, which commands the South Korean land, this morning and released articles encouraging the struggle of the one million fellow students of "Hanchongnyon".

They began fasting yesterday.

To Chong-hwa recalled in an article that the inter-Korean agreement adopted in 1991 suggests that the North and the South recognize each other's ideology and system and suspend hostile acts and that Kim Yong-sam, too, called for repealing the "National Security Law" during his opposition days.

"Why should 'Hanchongnyon's' reunification formula, confederation based on one nation, one state, two systems and two governments in which both sides recognize each other's differences, be branded as 'pro-North', 'pro-communist' and 'benefiting the enemy?' he queried.

Yu Se-hong said, "Our struggle is so justifiable that I will not give it up even though 'Hanchongnyon' suffers [words indistinct] from the Kim Yong-sam group's suppression."

"At the news of crackdown on 'Hanchongnyon,' I can not repress resentment. Maintaining the stand of 'Hanchongnyon,' I fought to cement Pomchonghangnyon together with the delegate To Chong-hwa in order to safeguard the grand reunification festival, the general meeting and the joint meeting," he added.

They vowed to carry on an indefinite hunger strike at the risk of life with a belief in the one million fellow students until all of their comrades, who risked their life to make the grand reunification festival of Pomchonghangnyon successful, are released and the moves for disintegrating "Hanchongnyon" are suspended.

On the balcony, the delegates chanted slogans "Abolish the 'National Security Law' and set free the arrested students," and "Stop accusing 'Hanchongnyon' of 'benefiting the enemy' at [word indistinct]".

DPRK: International Delegates Urge Japan To Apologize for Crimes

SK2208100996 *Pyongyang KCNA in English*
1001 GMT 22 Aug 96 — Official DPRK news agency

["Japan's Atonement for Past Crimes Urged" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — Delegates of international organisations and different countries urged the Japanese Government to make a sincere apology to the Korean people for its past crimes.

They raised this demand in their speeches at the 48th session of the U.N. Sub-Commission on Prevention of Discrimination and Protection of Minorities held in Geneva on August 14 and 15.

A member of the DPRK Government delegation said some Japanese officials overtly claim that the past act of aggression was justifiable and the "comfort women for the Japanese Army" issue is not based on a historical fact.

Japan must know that she can never appear clean in the international arena without atoning for its past crimes, the DPRK delegate stated.

The delegate of the General Association of Korean Residents in Japan called for efforts to terminate human rights violations that result from the national discrimination policy of the Japanese authorities.

The delegate of the International Association of Democratic Lawyers asked the U.N. sub-commission to continue to pay deep attention to acts of discrimination in Japan.

The delegates of the World Church Council, the International Organisation of Reconciliation, the Liberation Organisation, the International Labor Organisation and different countries also urged the Japanese Government to comprehensively investigate its past crimes and make a thorough state compensation.

DPRK: Committee Denounces Mindan 'Franchise Campaign' in Japan

SK2008085996 *Pyongyang KCNA in English*
0848 GMT 20 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — A spokesman for the Korean Committee for Aiding Overseas Koreans has denounced the "franchise campaign" conducted by some malignant elements of the "South Korean residents Association in Japan" (Mindan) and the South Korean puppet clique as a revamped version of the policy pursued by the Japanese imperialists to make Koreans royal subject of the Japanese emperor during their colonial rule and as a vicious treachery of trampling underfoot the dignity of the nation and leaving the destinies of the Koreans in Japan to the tender mercy of reactionary political forces of Japan.

In a press statement dated August 19 the spokesman said that it is a serious lesson of the Korean nation that a problem concerning the national rights and democratic freedom of the Koreans in Japan cannot be solved by such "participation in politics as franchise."

He went on to say:

The "franchise" will reduce the Koreans in Japan to a "minority race" of Japan so that all their national rights and freedom may be controlled by the Japanese politics. It is clear to anyone that the Koreans in Japan will, in the long run, fall victims to the factional politics of Japan.

The allegation that the "franchise" is an "international trend" is a sophism.

The "franchise campaign" conducted by some people of worst type at the "Mindan" centre, going against the universal desire of humankind who regained national dignity and sovereignty at the cost of their blood and value them more than their lives, is a vicious challenge to and a treachery against international trend and desire of the nation.

Lurking behind the "franchise campaign" conducted by the Kim Yong-sam group is a criminal purpose to destroy the General Association of Korean Residents in Japan (Chongnyon) and do harm to the Democratic People's Republic of Korea.

With the criminal "franchise campaign" the South Korean puppets and some vicious elements of Mindan cannot destroy Chongnyon.

The descendants of the "five traitors" of 1905 should put an immediate halt to the "franchise campaign" against the nation.

DPRK: Visiting Japanese Official Gives Impressions of DPRK

SK2208150396 *Pyongyang KCNA in English*
1500 GMT 22 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — The Chairman of the Japanese "Peace Boat" Executive Committee, Kiyomi Tsujimoto, said he felt that the leaders of the DPRK are always in the people's hearts.

He made the remark when giving his impressions of the DPRK.

"The respected President Kim Il-song and the great leader Kim Chong-il enjoy absolute trust and reverence from the people," he said. "There is no such people as the DPRK people, who uphold their leaders with loyalty."

Through his visit to the international friendship exhibition, he could know well that the two great leaders enjoy deepest respect from people around the world, Kiyomi Tsujimoto added.

The situation of the DPRK shows that when the leader and his men are united in one mind and one purpose, they can achieve a great success, he declared.

DPRK: KPA Vice Marshal Meets With Chinese PLA Performers

SK2208122096 *Pyongyang KCNA in English*
1206 GMT 22 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 22 (KCNA) — Vice marshal of the Korean People's Army (KPA) Cho Myong-nok, director of the KPA General Political Department, today met and had a friendly talk with the leading members and main artistes of the visiting song and dance ensemble of the Chinese People's Liberation Army (CPLA) led by Maj. Gen. Tian Aixi, deputy head of the Cultural Section of the CPLA General Political Department.

Present on the occasion were KPA Col. General Chong Chang-yol and Chinese ambassador to Korea Qiao Zonghuai and Military Attache Liu Jianhua.

DPRK: Visiting Brazilians Describe Impressions of DPRK

*SK1908101396 Pyongyang KCNA in English
0919 GMT 19 Aug 96 — Official DPRK news agency*

[Names as received]

[FBIS Transcribed Text] Pyongyang, August 19 (KCNA) — Ten odd parliamentarians from political parties and political figures of Brazil paid a friendship visit to the DPRK in early August.

This is the first visit of many parliamentarian coalition political parties of a country in Latin America to Korea.

During their short stay, they visited Pyongyang and local places and were deeply moved to see the realities of Korea.

Aldo Arantes, a member of parliament from the Communist Party, said that it is a social trend to respect the revolutionary forerunners in Korea.

The great leader Comrade Kim Il-song who devoted his whole life to his people, humankind, prosperity and development of the country and happiness is the greatest man, he noted.

He stated that he was deeply fascinated by the noble moral obligation of Comrade Kim Chong-il who is respecting and putting forward the revolutionary forerunners and could experience the personality of a great statesman in his trait.

Francisco de Sa, a member of parliament from the Social Democratic Party, said that the Korean people are a most indomitable people who are ready to unhesitatingly lay down their life for their dignity. They are cherishing clear worship which people in any other country cannot match in believing in the leader, who brought freedom and happiness to them, as heaven, following him and boasting of him to the world. He added.

Nair Lobo, a member of parliament from the democratic movement, said that all the achievements in Korea have been made thanks to the chuche idea. He noted that he has come to have a clear understanding of what is the source of strong strength in Korea:

Gonzaga Patriota, a member of parliament from the Socialist Party, said that Korea's policy of education is characterized by loving care and solicitude for the children in particular. The world should follow the chuche-based education policy of this country, he noted.

DPRK: Korean Books Presented to Leader of Nepal Communist Party

*SK2108114396 Pyongyang KCNA in English
1129 GMT 21 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — A ceremony for presenting Korean books took place at the Library of the Central Committee of the Nepal Communist Party (United Marxism-Leninism) [UML] on August 13.

The charge d'affaires ad interim of the DPRK Embassy in Katmandu handed Korean books including immortal classic works of the great leaders President Kim Il-song and Comrade Kim Chong-il to Madhav Kumar Nepal, general secretary of the Central Committee of the Nepal Communist Party (UML).

The general secretary said that the revolutionary idea of Comrade Kim Il-song who defeated the two imperialisms of the United States and Japan, selected works associated with his noble feats, and works of Comrade Kim Chong-il who is creditably carrying forward and accomplishing his revolutionary cause are good textbooks for them.

DPRK: UN Children's Fund Delegation Arrives 20 Aug

*SK2008112896 Pyongyang KCNA in English
1124 GMT 20 Aug 96 — Official DPRK news agency*

[FBIS Transcribed Text] Pyongyang, August 20 (KCNA) — A delegation of the UN Children's Fund headed by Pratima Kale, director of the East Asia and Pacific Regional Office, arrived here today.

DPRK: Kim Chong-il's Party Building Effort Extolled

*SK2208092096 Pyongyang Korean Central Broadcasting Network in Korean
2230 GMT 20 Aug 96
— DPRK-owned central radio network*

[Unattributed talk: "He has Strengthened And Developed Our Party Into the Great Leader Comrade Kim Il-song's Party Forever"]

[FBIS Translated Text] Our party is consistently advancing the revolutionary cause of chuche today, firmly adhering to the revolutionary character as the great leader's [suryong] party which has devoted great energy and efforts to its founding, strengthening, and development, despite the formidable hardships and all sorts of trials in its history. This is precisely a noble result of the great efforts and the wise leadership that the great leader [yongdoja] Comrade Kim Chong-il has devoted to consummating the chuche-oriented party building ideology

and theories created by the great leader [suryongnim] and to embodying them in our party's work and activity.

The wisdom of the leadership of the respected and beloved Comrade Kim Chong-il, who has strengthened and developed our party into the leader's [suryong] party, lies in the fact that he has led all party members to become chuche-type revolutionaries.

The respected and beloved General Kim Chong-il has led party members to vigorously wage indoctrination in the chuche idea among themselves, so that they think and act only according to the demands of the chuche idea, taking the idea as their faith. He has also led party members to make their loyalty to the party and the leader [suryong] their faith, conscience, morality, and a routine way of life.

In particular, as a result of the constant strengthening of the work of learning from the lofty model of loyalty which was highly displayed during the anti-Japanese revolutionary struggle, a great change has been effected today in the ideological and mental features of our party members.

Today, all of our party members are struggling to implement the ideology and policy of the party and the leader [suryong], jumping into fire and water while cherishing in their hearts loyalty to the party and the leader [suryong] as their first life. Working and leading a life by thoroughly depending on party organizations while regarding party organizations as their mother's bosom has become our party members' inviolable lifestyle today.

Party members and working people have grown up to become ardent [yollyorhan] revolutionaries and masterful [nungukhan] political activists, and their roles have been strengthened. As a result, our party has been more staunchly deepened not only as a pure body of ideological will in which only the leader's revolutionary ideology pulsates, but also as a great leading political organization.

The wisdom of the leadership of the respected and beloved Comrade Kim Chong-il who has strengthened and developed our party into the leader's [suryong] party, also lies in the fact that he has led party work and party activity to be carried out thoroughly in the great leader's [suryongnim] style.

Only the party which carries out all party work and party activity as intended by the leader [suryong], the founder of the party, can firmly defend the revolutionary character as the leader's [suryong] party and perform the mission as the political weapon, realizing the leader's ideology and leadership.

On the long road of history our party has strengthened and developed into the leader's [suryong] party, solving all theoretical and practical problems that have arisen in party activity, and he created rich experiences and noble practical achievements.

Since his first day leading our party, the respected and beloved Comrade Kim Chong-il has exercised leadership so that all party work and party activity are so carried out in the great leader Comrade Kim Il-sung's [suryong] style. The beloved General Kim Chong-il has led the entire party the revolutionary [suryong] style, solving all problems arising in party work and party activity under the unitary guidance of the party and the leader [suryong]. He has also seen that party work and party activity with men as the basis and the masses as the object, giving priority to political work.

In particular, the respected and beloved Comrade Kim Chong-il has concentrated intense attention on the demands of the Chongsan-ri spirit, the Chongsan-ri method created by the great leader [suryong]. As a result, the great leader's [suryong] work has firmly prevailed in our party and the party has been strengthened and developed into an advanced and tested party.

Reality has clearly shown that the respected and beloved Comrade Kim Chong-il has seen to it that party work and party activity carried out only in the great leader's [suryong] style — is indeed wise and farsighted.

With the aim of strengthening our party into the leader's [suryong] party, the respected and beloved Comrade Kim Chong-il has strengthened blood ties between the party and the masses and firmly deepened the ties among the masses.

Our party is the party that exists for the people's interests, struggles for the people's interests. Loving the people, achieving singlehearted unity with the people, precisely the inherent nature and function of our party, which is the great leader's [suryong] party.

The respected and beloved General Kim Chong-il devoted all possible energies and efforts to lead our party into an invincible party, firmly root among the masses, while achieving the goal of forming blood ties between the party and the masses as an important problem related to the party's survival.

One day, while conversing with functionaries at a lakeside, the great general asked them to observe the natural phenomenon in which honeybees and butterflies gather together around flowers. He then taught the profound principle on mutual relations between the party and the masses. The respected and beloved general stated: The reason bees and butterflies come to flowers is because there is nectar honey in the fragrant flowers and because the bees cannot survive without taking the nectar. The reason flowers emit a fragrance is because only when bees and butterflies gather on the flowers can the blooms be properly pollinated."

The great general stated that the relations between the party and the masses are in principle the same as this. He stressed that only when the party and the masses firmly unite can the revolution be victorious and the party's existence itself maintained. He stressed that the singlehearted unity between the party and the masses is precisely the our party's *raison d'être*.

Proceeding from this, the respected and beloved general has presented the unique party building ideology and theory that the party should become the motherly party which looks after the popular masses' destiny in a responsible manner, and that the party's politics should become the politics of love for and trust in the people, that is, the politics of benevolence. Thus, by embodying this unique party building ideology and theory in our party's building and activity, he has unfolded the ideology and theory as a great reality.

Thanks to the wise leadership of the great leader Comrade Kim Chong-il, all functionaries, including our party functionaries, have been able to deeply mingle with the people under the party slogan "We Serve the People," and to more devotedly serve the the people, sharing their destiny.

Our people deeply feel the blessing of the respected and beloved general's politics of benevolence through our party and are infinitely loyal to the party, with a firm determination to share their destiny with the party. The party and the leader [suryong] trust and love the people, and the people absolutely trust in and loyally uphold the party and the leader [suryong]. Based on such genuine comradeship and blood relations, the singlehearted unity of the leader [suryong], the party, and the masses has been more firmly deepened, and our party's revolutionary character as the party of the great leader Comrade Kim Il-song has been firmly defended.

By publishing many classical works, including the work, "The Workers Party of Korea Is the Great Leader Comrade Kim Il-song's Party," Comrade Kim Chong-il, the great leader [yongdoja] of our party and people,

has provided a noble guideline with which the leader's [suryong] party building cause can be consummated.

The dignified appearance and invincible might of our party — which is victoriously accelerating the cause of socialism, invariably upholding the leader [suryong], who was the founder of the party, as the eternal leader [suryong] when he was alive and even after he passed away, and firmly inheriting the leader's [suryong] blood line and uniting as one with the masses — is amazing the people of the world today.

All of our party members and the working people will loyally uphold the respected and beloved Comrade Kim Chong-il's ideology and leadership while cherishing deep in their hearts the blessing of the leader [suryong], which they enjoy generation after generation. Thus, they will strengthen and develop our party into Comrade Kim Il-song's party forever and will consummate the chuche revolutionary cause to the end.

DPRK: Nepal Communist Party Hangs Kim Il-song Portrait

SK2108041496 *Pyongyang KCNA in English*
0327 GMT 21 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 21 (KCNA) — A ceremony of hanging the great leader President Kim Il-song's portrait was held at the library of the Central Committee of the Nepal Communist Party (UML) on August 13.

Present at the ceremony were General Secretary Madhav Kumar Nepal and officials of the Party Central Committee and librarians.

The portrait was hung in the library amid loud applause of the participants.

DPRK: Manyongdae District Works To Protect Fields From Flooding

SK2008114096 *Pyongyang Korean Central Broadcasting Network in Korean*
1100 GMT 14 Aug 96
— DPRK-owned central radio network

[FBIS Translated Text] Upholding the great leader's [suryongnimui] behests and our party's plan on land development, a state-run farm in Manyongdae District has waged the struggle to protect the land from floods, achieving great success. In particular, functionaries and agricultural workers of the Chilgol sub-work farm have established steps to conserve soil by recently rearranging the fields that have been partly damaged by rain behind stone walls in order to effectively protect the farm fields where traces of the fatherly leader's on-the-spot guidance linger.

Under the conditions in which heavy rains fell frequently, functionaries of the sub-work farm have cautiously stamped around the farm fields, thus mapping out a detailed plan to protect even one pyong of soil from heavy rains, and organizing work down to the last detail. Thus, last month alone, the sub-work farm collected several thousand cubic meters of rocks to protect and manage the dikes, and achieved success in reinforcing some 4,700 meter dikes.

Agricultural workers of the sub-work farm have matured and cultivated agricultural products in a proper manner, and have carried out the rubble work by deeply digging a ditch running along the edge of the fields. In so doing, they have thoroughly protected the soil.

DPRK: Power Ministry Official on Increased Electricity Production

SK2108105196 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 19 Aug 96
— DPRK-owned central radio network

[FBIS Translated Text] Waging a vigorous struggle with the spirit of the arduous struggle while hoisting the red banner of the revolution, functionaries and electricity producers at hydroelectric power stations in various areas under the Ministry of Power Industry are effecting upsurges in power production by operating generation facilities at full capacity.

In this regard, Comrade Kim Hyon-son, deputy director at the Ministry of Power Industry, who met station reporter Han Song-chan, said:

[Begin Kim recording] Functionaries and electricity producers at hydroelectric power stations in various areas under the Ministry of Power Industry are now vigorously waging the struggle to increase power production.

Much power is necessary for the development of the country's economy and for the improvement of the people's livelihood. For this, functionaries and electricity producers at hydroelectric power plants in various areas have operated generation facilities at full capacity, actively learning from the revolutionary soldier spirit displayed by the soldier-builders of the Kumsongsan Power Plant. Thus, in August they have unfailingly overfulfilled their daily production plans.

Functionaries and electricity producers of the Wiwon Power Plant have effectively carried out the management of reservoir water. Thus, they are daily generating 60,000 kw more than the daily plan.

Electricity producers of the Changjingang Power Plant strived to fill a reservoir with more water, effectively

carrying out water management. Thus, they are generating more power than the daily plan.

Electricity producers of all power stations under the Guidance Bureau, including the Hochongang Power Plant and Taechon Hydroelectric General Power Plant, have united their efforts and wisdom, and have tenaciously carried out repair and maintenance work on generation facilities. In addition, they are vigorously waging the work to increase power production per one tonne of water.

In the future, we will conserve even one drop of water, will effectively carry out repair and maintenance work, and will operate all generation facilities at full capacity. Thus, we will generate more power, sending more electricity to the various sectors of the national economy in a timely manner. [end Kim recording]

DPRK Article Suggests Fostering People's Creativity

962C0082A *Pyongyang NODONG SINMUN in Korean* 7 May 96 p 2

[Article by Kil Ik-se: "Fostering the Creative Strength of the Masses of People Is an Important Demand of the Revolution and Construction"]

[FBIS Translated Text] How to foster and develop the creative strength of the people, the masters of society, is a major task in the revolutionary struggle and construction work.

The great leader [yongdoja] Comrade Kim Chong-il, in his classic work "Socialism Is Science" and many other works, fully elucidated theoretical and practical problems arising in the fostering of the creative strength of the masses of people, ensuring that we can strengthen the chuche of the revolution and, with its might, forcefully accelerate socialist construction.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"To have the masses fully discharge their responsibility and role as the masters of society, we must foster their creative strength. Fostering the masses' creative strength is a major task we should always pay priority attention to in the revolution and construction."

The masses are masters of the revolution and construction. They are also the driving force of the revolution and construction. Social movements of whatever sort are unthinkable apart from them.

Socialist society is a society in which the masses have become masters of everything, and which develops by the creative strength of the united masses. The basic

driving force for social development in socialist society lies in the high revolutionary fervor and creative power of the masses armed with independent ideological consciousness and closely united around the leader [suryong]. Therefore, for successful socialist construction, it is required to foster the masses' creative strength, as well as to arm them firmly with independent ideological consciousness.

Generally, people's demands can be realized only through their creative activity, and people's activity can make positive progress when backed up by a strength guaranteeing its progress.

The masses, who are the chuche of development in socialist society, have not only their independent demands but also their creative strength to realize them. Their strength is the creativity formed and accumulated in the course of social history. This kind of creative capability the masses have can be brought into full play on a spontaneous basis. And it can be done successfully only through a goal-conscious struggle for fostering their creativity to ensure that they fully discharge their responsibility and role as masters of everything in society.

When we talk about fostering the masses into a resourceful existence, we mean to bring up their creative strength as well as their independent consciousness.

The great leader [yongdoja] Comrade Kim Chong-il scientifically elucidated the fact that the masses' creative strength is a factor making it possible to positively accelerate the revolution and construction.

There are a variety of factors, subjective and objective, at work in accelerating the development of socialist society. In this respect, too, the masses' creative strength operates as a powerful factor. It is because the masses have direct interests in the development of socialist society and the masses themselves also have the resources to propel it. Since the masses' creative strength is defined and enhanced by their independent ideological consciousness, it goal-consciously influences social development.

The masses' creative strength is a major factor defining developments of socialist society. Needless to say, to accelerate the revolution and construction, it is necessary that favorable objective conditions are created and that firm material and economic conditions are put together. However, no matter how favorable the objective conditions may be, and how ripe the material and economic conditions, the revolution and construction can make no vigorous headway if the masses' creative ability fails to be high enough.

Even under unfavorable objective conditions, the revolution and construction can be stepped up positively if the masses' creativity is high and given play properly.

In our country in the postwar era, we could complete the socialist transformation of the economy so swiftly without even awaiting the technical reconstruction of agriculture. It was made possible by the revolutionary fervor and creativity fully displayed by our people determined to uphold the leadership of the party and leader with their loyalty.

When the masses' creative strength is fostered, it becomes possible to actively build favorable conditions for social development and, thus, to accelerate socialist construction vigorously.

The masses of people are the most resourceful and wisest existence possessing inexhaustible, creative abilities to do away with outdated things, create new things, and remake nature and society in a way enabling them to realize their independent will and demands. Since the dawn of human history, the masses of people have continued to conquer nature and produce goods needed for their existence and development by their creative labor, achieving social progress by their creative activity to change obsolete things. Society owes its development to the masses' boundlessly creative activity. If we are to be successful in the struggle to vigorously accelerate socialist construction to remake the nature and reform society, we must foster and give positive play to the masses' creative strength.

In socialist society, when we foster and enhance extraordinarily their creative strength, we can easily overcome any unfavorable conditions hampering social developments and actively create favorable conditions. The greater the masses' creative strength, the more boldly do they break through bottlenecks and barriers confronting them in socialist construction, creating new miracles and innovations with no end. The course of the masses stepping up socialist construction positively to remake nature and reform society is, after all, the course of the masses themselves doing away with outdated things unfavorable for the development of socialist society and creating new things favorable for it by setting in motion their creative wisdom and resources.

The course of the masses' creative struggle is a course for them to foster themselves into a more powerful existence.

The masses have fostered their own creative capability in the course of remaking nature and reforming society. The history of development of social productive forces is the history of growth of man's creative power in conquering nature, while the history of social revolutions is

the history of the buildup of the masses' revolutionary capability for social reform.

As the masses' creative strength grows, sociohistorical movements develop further, social assets expand, and social relations improve.

In the past historical eras, although the exploited working masses had long been wishing for an exploitation- and oppression-free world, their wish did not come true, a fact that had something to do with the realities then that the levels of their independent demands were low and their creative resources were neither properly prepared nor given full play.

Socialist and communist movements are the highest-type creative movements in human history. Consequently, the masses' creative strength is given fullest play in the course of socialist construction. Therefore, to positively accelerate developments of socialist society, priority efforts should be put into fostering that strength.

The great leader [yongdoja] Comrade Kim Chong-il made it clear that the demand of the masses for their development as an independent and creative existence cannot possibly be met in capitalist society.

What imperialists and capitalists need is not self-reliant, creative people awakened to independent consciousness and developed multifariously, but servants obedient to them and able to produce surplus value for them. Therefore, they would stop at nothing to make the working masses slaves to capitalism, corrupting them ideologically and deforming their creative capabilities.

The masses' demand for developing as an independent and creative existence can be met brilliantly only in socialist society.

The source of the masses' creative strength as the driving force for developments of socialist society lies in the leadership of the party wakening and educating and indoctrinating them to ensure that they accept the socialist cause and turn it into their own work wholeheartedly. In order for the masses to develop high creative capability as the independent chuche of revolution, they must have rich and multifarious knowledge and technology needed in the revolution and construction, ranging from knowledge about the principles of revolution and the inevitability of social development to scientific and technological knowledge. The work to foster people into fully developed communist-type persons, and into capable persons with profound knowledge and technology, can be carried out only by a working-class party. By establishing the most superior socialist educational system and the all-people-study system and operating them at state and public expenses, our party is carrying out

brilliantly the work to foster all members of our society into fully developed socialist, communist builders.

In our country, the new generations, enjoying the benefits of the 11-year compulsory education system, are studying to their hearts' content, with everything, including school uniforms and all other supplies, coming from the state free of charge. At the same time, our country has hundreds of regular colleges, plus the part-work, part-study educational system. And the effort to turn the whole society into a society of intellectuals are being stepped up vigorously. Thus, in our country today, the people's general level of knowledge is high, while an army of a million and several hundred thousand intellectuals hold fast to their posts in socialist construction across the country.

Since all the people have their inexhaustible, creative strength along with their high revolutionary fervor, no task is too difficult to resolve in our country. Unperturbed by imperialists' economic blockade maneuvers, they are resolving all problems in socialist construction on their own and by their own wisdom under the banner of self-reliance.

Today, the great leader [yongdoja] Comrade Kim Chong-il is sagaciously leading the struggle for the prosperity, strengthening, and development of our country, our fatherland, relying on the inexhaustible strength and wisdom of our people. Realities of our country prove positively that fostering the masses' creative strength is an important task calling for priority attention in the revolution and construction.

DPRK: Acceleration of Ideology, Socialist Construction Urged

962C0085A *Pyongyang NODONG SINMUN*
in Korean 20 May 96 p 1

[FBIS Translated Text] The historical experience of our revolution shows that if we are to march forward and defend the great cause of socialism, we must take hold of ideology and always expend great effort into ideological projects. To the extent that we face this immense task before us, we must ponder deeply on these noble truths and press forward with truth and construction.

The great leader comrade Kim Chong-il pointed out the following:

In order to successfully execute the great work of socialist construction, we must fundamentally take hold of ideology and go forward placing ideological work ahead of all other works.

Taking hold of ideology and accelerating socialist construction is our party's firm and immovable inexorable rule.

Ideology is the lifeline of socialism.

The great leader Kim Chong-il reveals the principles of ideological theory based on the immortality of the chuche ideology, and has consistently, from beginning to end, stuck to the principle of putting ideological work first. In implementing the revolution, there has been no change in the position of our party to continue in the future to stick firmly to the principle of pioneering ideological work being wholly substantiated by his might. It is our party's unswerving conviction to take hold of ideology, strengthen politico-ideological, economic, and military fronts and smash into pieces the antirevolutionary attacks of our enemies through the might of ideological work. In piercing through all kinds of trials and tribulations and going forward to maintain and complete our style of socialism, there can be no other path than this one.

Today, firmly going forward and taking hold of ideological work has become a critical requirement to build up the revolutionary ranks into an impregnable fortress of one mind and raise a new spirit in socialist construction.

The power of the revolutionary ranks is political ideological power. When socialist ideology rules immaculately, the revolutionary ranks are invincible. This is because the entire party, military, and people around the great leader Kim Chong-il, reaching the highest level of resolve and unity, firmly ensures ideological integrity. When we take hold of ideology and ceaselessly strengthen ideological work, the unhealthy ideological factors that erode the revolutionary ranks will never be able to attack them.

Today, the task at hand in socialist construction is difficult and massive. We are now in the arduous march. Today's arduous march is inciting the firm belief of all citizens to adhere to our style of socialism until the very end. The key to victory is ideological work. Methods to raise up a new spirit in socialist construction must be found in no other place than ideological work.

Our fatherland displays the dignified grandeur of a strong ideological country, a great political country. Taking hold of ideology and accelerating socialist construction is the true path that makes our country, our fatherland, stronger, and is the firm guarantee to harden it into an invincible fortress of socialism that no enemy would dare provoke.

More than anything else, the most important thing in taking hold of ideology and accelerating the revolution

and construction is firmly arming oneself with the chuche ideology. The ideological theory revealed by the great leader Comrade Kim Chong-il is the most fundamentally scientific and revolutionary theory from an independent viewpoint about the role that ideological consciousness plays in man's activities. Its correctness repetitiously opposes the materialist thesis in several countries, and is proving the fact that pushing aside ideology work results in the frustration of socialism.

We must establish ideology as the firm belief in ideological principles of independence that decide all things, the departure point for all projects. All functionaries, party officials, and workers must deeply internalize the lessons of history that if socialism takes hold of ideology, it will win, and if it lets ideology escape, it will be destroyed. In particular, they must go forward and continue to intensify work to arm themselves with the profound theories clarified in the great leader Comrade Kim Chong-il's immortal classical masterpiece, "Putting Ideological Work First Is a Critical Requirement in Implementing The Great Task of Socialism".

We must consistently go forth and observe ideological work guidance proposed by the great leader Comrade Kim Chong-il.

The beloved leader Comrade Kim Chong-il has clearly revealed all theoretical and practical issues for strengthening ideological work appropriate to the essential demands of socialism in administration leading the great work to infuse the entire party and society with the chuche ideology. It contains encyclopedic material from the basic duties of ideology work to governing principles and methods. The great work achieved by the beloved leader Comrade Kim Chong-il was to build the party based on ideology and accelerate construction of the economy and culture. We must shine forth endlessly and resolutely adhere to this eternally great work.

We must solidly arm ourselves with the history-making guidance proposed by the great leader Comrade Kim Chong-il in the ideological work sector and continue to be indebted to the ideological work system established by comrade Kim Chong-il. We must go forth and take hold of the chuche ideology indoctrination as the basis of our party's ideological work, and unceasingly strengthen moral indoctrination on communism and indoctrination on collectivism, devotion, party rules, and revolutionary historical traditions among the worker party members. Along with this, we must continue to fight the struggle to oppose all kinds of nonsocialist ideologies, beginning with bourgeoisie ideology and revisionist ideology.

Another important thing in taking hold of ideology and accelerating socialist construction is vigorously

propagating ideological work as a work for the entire party, state, and society.

Our ideological work is a work meant to solidly set up a socialist ideology camp in all fields of revolution and construction and call forth the revolutionary zeal and creative activity of the masses. In our society there cannot be any organ or functionary that does not participate in ideological work. All organs and groups, to include party, state, worker, and educational organs, must carry forth the work to indoctrinate and reform party officials, workers, and youth in chuche's socialist ideology appropriate to their own mission and duties.

In particular it is important that all sectors, all units of functionaries do ideological and political work. Political work is never done exclusively by ideological work sector functionaries only. Functionaries in all sectors, including economic, cultural, political, and military, regardless of who they are, must struggle forcefully to set up political work and work with other people as the first process in executing revolutionary tasks through important revolutionary duties they take upon themselves. Functionaries must stimulate the hearts of the masses through powerful political propaganda and economic agitation, and must unceasingly create new miracles and accomplishments in all fields of socialist construction through the spirit of the arduous march.

If we intend to take hold of ideology and accelerate socialist construction, ideological work must be done rapidly and with new originality.

Ideological work is the work that moves the hearts of living people. Ideological work without substance becomes a poison of formalism dressed with conventionalities and ceremonies. We must substantially conduct ideological indoctrination work for party personnel and workers using several forms and methods that match the characteristics and preparation of the subjects. We must do a good job of making propaganda and agitation data with sincerity, scientific objectivity, and kindness, as well as labor hard in making preparations for speeches, lectures, and discussion sessions. In this way, we must raise all party personnel and workers into firm yet animated revolutionaries that go forth and fight stubbornly with faith, conscience, and morality to stalwartly defend our style of socialism.

Firmly establishing the party's leadership of ideological work is ideological work's most important principle.

Our party has thoroughly denounced all kinds of opportunistic currents that reject the leadership of the party in ideological work, and has seized with unity and singularity led all ideological work. Party organizations at all levels must raise immense strength to place ideolog-

ical theory as their guidepost, and for ideological work that is appropriate for active, independent revolutionary party organizations.

Party organizations must continue to take hold of indoctrination study, organizational life-style, and revolution implementation as an important link of ideological work, and struggle vigorously for the mass ideological reform movement everywhere. In particular, we must display more of the great power of ideological indoctrination measures, leading with publications and literary works, to indoctrinate the masses and mobilize organizations. All functionaries in the ideological work sector must possess a high degree of pride in all of Korea's socialist ideological front, and must actively make efforts to incite a new change in ideological work that fits the demands of current development.

DPRK Article Highlights Workers' Duty in Land Management

962C0082B *Pyongyang NODONG SINMUN*
in Korean 22 May 96 p 2

[Article by Pak Nam-chin: "Loving National Land and Managing It Well Is a Sacred Duty of Our Working People"]

[FBIS Translated Text] Land management is a rewarding work for the lasting prosperity of the fatherland and for the happiness of posterity for generations to come. Since we are true, chuche-type revolutionaries fighting not only for ourselves but for posterity as well, we should love our land and tend it assiduously to leave posterity a beautiful country and rich natural resources. It is a sacred duty of our working people to take good care of it and, by doing so, expand the nation's material wealth and build this country up as a people's paradise—beautiful and affluent.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"All party members and the working people should hold dear everything of this country—its urban and rural areas; streets and village roads; hamlets and installations; workplaces and machines and equipment there—as their own property, tending them assiduously and brushing them up well."

To love the terrain of this country and manage it well is a sacred cause to create conditions for a more independent and creative life for the people. For freeing people from constraints of nature and creating conditions for an independent and creative life for them, it is necessary to conquer nature and produce material wealth and to build living environments beautiful and civilized. Only by loving our land and managing it well

is it possible to expand the nation's wealth, build the country into a beautiful land, and leave posterity the creations for the ages and the environments of happy livelihood.

Land management is a work for our people themselves today and for posterity for generations to come. All, regardless of who, should love and tend assiduously their hometowns and villages where they live and work and their streets and workplaces. People loving their national land and tending and managing it well are true patriots and true revolutionaries faithful to the leader [suryong] and loving the fatherland, it can be said.

Love and care for national land is, above all, a lofty expression of faithfulness to the party and leader.

One's faithfulness to the leader, significantly, shows itself as he cherishes everything filled with historical memories of the leader's leadership, and as he adds luster to it.

The great leader Comrade Kim Il-song reclaimed this beautiful country for us, and the respected and beloved commander in chief, Kim Chong-il, has built it up for us. Every single tree and building, every stream in this country, is filled with memories of guidance by the Great Leader.

The great leader Comrade Kim Il-song left his precious footmarks of guidance in land management since he, immediately after Liberation, personally attended the groundbreaking for the Potong River conservancy project and moved the first shovel of earth. Mountains and rivers of our fatherland are replete with marks of the warm love of the Fatherly Leader of the people.

The Great Leader, putting his heart and soul into providing our people a beautiful and civilized life and sparing no pains in pursuing the cause, built fine dwellings, cultural and welfare facilities, and great monumental creations symbolic of the Workers Party era in every nook and cranny of the country. The Fatherly Leader and the respected and beloved commander in chief put everything available into efforts to build this country into a land of lush woods and limpid streams, saying that, although our country is always a land of scenic beauty, we need good maintenance to keep adding to the beauty. The multistory apartments in Anju District, the big-cone pines in Yonpung, and the northern iron-producing city of Chongjin are all reminiscent of the love of the Fatherland Leader of the working class and people.

Our land is indeed a precious estate permeated with histories of guidance by the Great Leader and the respected and beloved commander in chief. For us, the land management work, including urban management and flood control and water conservancy works, is in

itself a worthy cause to add luster to the leadership accomplishments of the Great Leader and the respected and beloved commander in chief. When we cherish and tend assiduously all those structures erected with such great efforts by the Great Leader and the respected and beloved commander in chief and when we maintain this country as a land of beauty and fertility, the leadership achievements of the party and leader will radiate greater brilliance as days go by.

Anybody, if burning with loyalty to the party and leader, should love this country, which has been built into fluorescence by the Great Leader and the respected and beloved commander in chief, and put all his or her wisdom and energies into urban management and flood control and water conservancy works. The work to create and preserve forest resources or to manage irrigation facilities and public installations is a work for the masses themselves, a work for all the people to launch into with vigor. People who value their own land filled with histories of the party's and the leader's guidance, and who devote themselves to its maintenance, are true, chuche-type revolutionaries upholding the leader's cause with loyalty.

Loving national land and maintaining it assiduously is also an expression of true patriotism.

Chuche-type revolutionaries are true patriots. People cannot live apart from their fatherland. Nor can they make revolution. Chuche-type revolutionaries love their fatherland more than anybody else. The chuche-type blood running in their hearts is a blood of seething patriotism; the hammer of chuche held aloft in the building of the fatherland is the hammer of patriotism; the course of chuche through raging storms for a communist future is also a course of patriotism. The love of the country is chuche; chuche is the love of the country. Apart from patriotism, chuche-type revolutionaries do not exist.

For chuche-type revolutionaries, to love the fatherland is not an abstract notion but an expression of their devotion to the national land, which represents the sphere of national sovereignty being exercised. Apart from the national land, the fatherland does not exist. The work to build a rich, strong, and prosperous fatherland begins with the effort of each and every person to build the place where he or she lives and works into a paradise. When all the regions and districts of the country are turned into beautiful and happy hometowns, the fatherland will keep growing and prospering endlessly.

Everyone with a heart throbbing with patriotic blood should love the land where he or she lives and works.

Our duties can be big or small. But, with patriotism or the love for national land and the country, there can be no such differences. On the road of patriotism, it is all an equally important act even if it is to plant a single tree or put in a single rock in a ruptured dike. In seeing the prosperity and development of the fatherland in a flow of water and in picturing the remote future of the fatherland and the happiness of posterity in young pine trees and spending decades cultivating them into green groves, like the love of the fatherland and the lofty conscience of true, chuche-type revolutionaries.

In maintaining beautifully our villages and streets, our homeland where we live and work, lies the path to the prosperity and development of the fatherland and the happiness of posterity. We should live today not just for today's sake but for tomorrow. And this revolutionary outlook on life is unthinkable apart from the love of national land. When you plant a tree in your village or street or create and conserve forests, you are not just working for yourself; the lofty thought and sentiment behind it is that, although you may not draw benefits from it, your offsprings will. Those living with this lofty outlook on life are true patriots genuinely interested in the destiny of the fatherland and people, and in their future. We should unanimously launch into the work of national land management—including the work of land management, forestation and conservancy, highway construction and management, and river administration—and maintain the fatherland more and more beautifully.

The respected and beloved commander in chief, Kim Chong-il, is a peerless patriot leading our people to love their country.

The respected and beloved commander in chief, while leading the revolution and construction, has guided our working people sagaciously and consistently to build up the terrain of their country beautifully with true patriotism. The respected and beloved commander in chief, in his historic work "On Improving and Strengthening Land Management," clearly elucidated the path for the nation's land management work to follow, leading our people to tend national land assiduously in every period and every stage of the revolution. Especially, the respected and beloved commander in chief built numerous great monumental creations under plans for the ages, including the West Sea floodgate, completely changing the face of this country. Thanks to the sagacious leadership of the respected and beloved commander in chief, many great monumental creations of the Workers Party are sprang up in Pyongyang and everywhere else in the country; land under cultivation, forests, useful animals and plants, and marine resources have increased, and

ivers and roads have been improved beautifully and functionally.

Recently again, the respected and beloved commander in chief unfolded before us a brilliant blueprint to make the rivers and mountains of the fatherland—synonymous with the loving hand of the Great Leader—even more fertile and beautiful and has since been leading our people in a struggle to implement it. Manifested in it is the lofty political and moral view of the respected and beloved commander in chief dedicated to ensuring that the leadership achievements of the Great Leader radiate greater brilliance as days go by. It is also filled with the ardent love of the respected and beloved commander in chief dedicated to creating more beautiful and civilized living environments for our people and posterity.

Live today not just for today's sake but for tomorrow. This is the lofty outlook on life of the respected and beloved commander in chief, Kim Chong-il. The respected and beloved commander in chief, with that lofty outlook on life filled with love for future generations, is leading our working people to think about tomorrow even when building a road, and to build it in the best possible way.

For us, the work of tending our land is a sacred work to uphold the concept and intent of the far-reaching plans of the respected and beloved commander in chief, Kim Chong-il, for building up the fatherland.

We should all keep working dynamically to build this country into a beautiful and fertile paradise of happiness, with infinite faithfulness to the party and leader and ardent love for the fatherland.

DPRK: Establishment of Lofty, Communist Moral Spirit Encouraged

962C0085B *Pyongyang NODONG SINMUN*
in Korean 27 May 96 p 1

[FBIS Translated Text] Today in our country we are more highly displaying a lofty communist moral spirit. All party personnel and workers, loving and helping each other on the foundation of a revolutionary conscience and loyalty, struggling devotedly for society and the group, is a true image of our society. In order to prominently display the superiority of our style of socialism, we must go forward intensely with the work, without ceasing, in order to more thoroughly establish a communist moral spirit.

The great leader Comrade Kim Chong-il pointed out the following: "We must increase moral indoctrination in party personnel and the workers, and go forth to establish a communist moral spirit."

Increasing the struggle to establish a communist moral spirit is a critical requirement of implementing the great task of socialism. When we look at it from the aspect of building morals, the process of building socialism and communism is the process of going forward and establishing a revolutionary, collective, and communist spirit. Only through establishing a communist moral spirit can we go forward with reforming all members of society into complete men possessing healthy morals and revolutionary ideology, and fill to overflowing the entire country with lofty social relations and a life-spirit based on collectivism.

More thoroughly establishing the entire society with a communist moral spirit is a responsible and honorable work displaying the invincible life force and superiority of our style of socialism centered on the people's mass consciences.

Our socialism is the most advanced and superior socialism completely governed by communist morals. There is no other country like ours in the world where the entire people highly revere their leaders with a pure heart and live and fight while leading and helping each other based on loyalty and comradely love. Today, communist morals in our country have become universal and a part of our lives, and this is making our society one big family.

The path of trumpeting the superiority of our style of socialism more highly, which is displayed on the foundations of communist morals, lies in establishing thoroughly a communist moral spirit. When a communist moral spirit suddenly blooms like a flower, the political ideological and morally devoted resolve of the revolutionary ranks centered on our great leader becomes firmly hardened, and the ideological encampment of our style of socialism becomes an iron wall.

Now the imperialists and counterrevolutionaries, more than in any other era, are plotting wickedly to destroy our style of socialism. Now is the time that all the people must shine forth endlessly to maintain our style of socialism through displaying a higher communist moral spirit. Just as the revolutionary struggle history of our people from the past have shown, when the entire country is overflowing with the communist moral spirit, the work of reforming the communist man will be successfully accelerated, and revolution and construction will make vigorous progress.

In more thoroughly establishing a lofty communist moral spirit in the entire society, the most important thing, more than anything else, is that all the people highly revere the great leader Comrade Kim Chong-il with pure moral devotion without even a particle of doubt.

One of the basic characteristics of a communist moral spirit's being established throughout society is highly displaying that spirit and centering it on the great leader. Our people are wonderful people who highly revere the great leader as their father, who possess a lofty sense of moral loyalty with endless devotion and filial piety.

All party personnel and workers must have limitless pride for the great leader comrade Kim Chong-il as planted in their bosoms by their fathers, and must highly display moral devotion for the leader [suryong].

Beloved Comrade Kim Chong-il is the person who has maximized the moral devotion to go forth and realize, at the highest rate, the work to revere the great Comrade Kim Il-song as the eternal leader [suyrong]. We must actively learn and follow the lofty moral spirit held by the beloved general, and must highly display this on the path to accept the great leader. People who at all times and in all places possess a revolutionary conscience and spirit, which is bright and clear without a speck of dust, who go forth and dedicate all of their own wisdom and physical strength to accomplishing the great leader's design and intentions, are morally pure loyalists and true revolutionaries. When the entire people revere beloved General Kim Chong-il with the loftiest spirit of devotion, the communist moral spirit being established in our society will suddenly bloom like a flower.

In order to more thoroughly establish a lofty communist moral spirit in the entire society, we must carry out all social life according to the demands of communist moral standards.

Establishing a communist moral spirit is the process of establishing communist moral standards in all sectors of the socialist life.

All party personnel and workers must more thoroughly establish a lofty communist moral spirit in all sectors of the socialist life, from faithfully managing the state's socialist assets to astutely maintaining public morals. Through highly displaying virtues of helping and leading each other, we must advance with the strength of revolutionary love of comrade and devotion, and, without exception, show off the fortitude of our style of socialism which is heading off to victory. Along with this, we must astutely keep traffic order and vigorously work on projects to observe common courtesy among each other.

In order to more thoroughly establish a lofty communist moral spirit in the entire society, all people must vigorously work on projects to learn and follow the examples of the pioneers of the communist spirit.

Today, among our people, are countless numbers of true communist men who accomplish good works for the

party and the revolution, society and the group, and go on living faithfully their entire lives with the attitudes of devoted followers and model sons. All party personnel and workers must actively make efforts to learn and follow the lofty heart and party spirit of communist party pioneers endlessly being produced in our society. In this way the communist spirit must be displayed more prominently in all places where our people work and live.

In order for the communist moral spirit to bloom suddenly as a flower throughout society, party organizations in particular must increase moral indoctrination for party personnel and workers.

To the extent that morals are social actions and standards being obeyed by the conscience, it is only by people holding clean consciences and possessing lofty moral characters in all aspects of work and life that a communist moral spirit can be established more thoroughly in the entire society. Party organizations must continue to put great strength into work to arm party personnel and workers with our party's independent moral perspective. In particular, they must carry out in earnest, work founded in reality and fact, to actively learn and follow the lofty, moral perspective and moral character possessed by the beloved general. Along with this, they must increase the struggle to block all sorts of old and antimovement bourgeoisie morals running counter to communist morality from entering.

It is very important to firmly morally prepare the new generation, who are successors of the revolution and the most active part of society. Party organizations must never forget that the rise and fall of our country and our people, and the spread of socialism, depend on how the new generation is prepared and indoctrinated with a moral spirit. They must endlessly strengthen moral indoctrination for the new generation.

In this way, we can better raise up all of the new generation as wonderful revolutionary geniuses who respect the leader [suryong] and their revolutionary elders and possess true moral devotion to devotedly struggle for society and the group.

Our party's firm and resolute will is to fill the whole country with the communist moral spirit and complete to the end the cause of our style of socialism with the strength of moral devotion. All party personnel and workers, through continuing to vigorously wage the struggle to more thoroughly establish a communist, moral spirit throughout society, strengthen the power of our style of socialism and achieve bigger advances in revolution and construction.

South Korea

ROK: Article Analyzes Background of Richardson's DPRK Visit

SK2208054896 Seoul CHUNGANG ILBO in Korean
22 Aug 96 p 5 — Widely read daily newspaper owned by the Samsung Business Group

[By Kil Chong-u in Washington]

[FBIS Translated Text] People are paying attention to the North Korean visit by Spence Richardson, former chief of the Korean affairs section in the U.S. State Department, who is accompanying U.S. Congressman Tony Hall on a four-day visit to North Korea beginning on 21 August.

He has been unofficially named the first chief of the U.S. liaison office to be established in Pyongyang. During his stay in North Korea, he will have in-depth discussions on the opening of liaison offices. The result of the discussions will have a significant effect on ROK-U.S. relations and the situation on the Korean peninsula.

In the first half of 1995, when the opening of liaison offices in North Korea and the United States was a hot issue, the U.S. State Department unofficially appointed Richardson, an expert on Korean affairs, the first chief of the U.S. liaison office, and sent him to the U.S. Embassy in the ROK. He studied Korean for nearly a year.

The United States has placed significance on the opening of liaison offices and has steadily prepared for the opening.

However, during negotiations on signing the agreement on the supply of light-water reactors held at the end of 1995, North Korea showed little interest in opening liaison offices and focused on flood damages and food aid. Then, the United States excluded the liaison office issue from the urgent agenda and summoned Richardson home in the beginning of 1996.

At the end of June, Yi Kun, chief of the North American section of the North Korean Foreign Ministry, visited Washington at the invitation of George Washington University. At that time, he conveyed a more flexible position on the "technical problem" demanded by the United States. Thus, it is likely that the U.S. State Department has sent Richardson to accompany Congressman Hall in the latter's visit to North Korea with a mission to convey the U.S. position.

The "technical problem" is the passage of U.S. diplomatic pouches and U.S. diplomats from and to North and South Korea through Panmunjom. North Korea had

disapproved of this, saying the military is in charge of matters related to Panmunjom.

At present, U.S. interest is to open a permanent channel to observe the internal situation of the unpredictable North. With the presidential election slated for November, the United States is aimed at appeasing North Korea so that it does not give a political dilemma to the Clinton administration with a surprise.

Richardson's visit to North Korea can be said to clear away difficulties in opening liaison offices and, thus, highlight the diplomatic achievements of the Clinton administration.

ROK: Institute Head Arrested for U.S. Visa Fraud
SK2108235596 Seoul KBS-1 Radio Network
in Korean 2253 GMT 21 Aug 96

[FBIS Translated Text] The Southern Branch of the Seoul District Prosecutor's Office, which is investigating the illegal issuance of U.S. student visas involving an employee of the U.S. Embassy in Seoul, additionally arrested Mr. Yim Kwon-taek, 33, head of the (Weeders) Study-Abroad Institute for Students in Kangnam, Seoul, today.

Mr. Yim is suspected of having helped seven persons obtain visas illegally, receiving a total of 40 million won from them, between December 1994 and April 1995 through a visa broker and a U.S. Embassy employee. Among the seven persons was a Mr. Cho whose application was rejected for his doubtful financial status. Mr. Yim helped him get a visa illegally in March 1995.

ROK: Group Cites U.S. Trade Pressure as Factor in Trade Deficit

SK2208074496 Seoul YONHAP in English
0642 GMT 22 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — South Korea is the only scapegoat in East Asia, which suffered losses in trade with the United States, which has led to speculation that there might be structural problems with the nation's trade with America.

The Korea International Trade Association (KITA) said Thursday, citing the "January-June exports-imports statistics" released by the U.S. Commerce Department, Korea experienced a 1.4 billion U.S. dollar trade deficit with America in the first half.

On the other hand, the nation's rivals in East Asia enjoyed trade surpluses with America for the same period.

China registered 15.7 billion dollars, Taiwan marked 4.8 billion dollars, Japan recorded 22.2 billion dollars, Singapore posted 1.4 billion dollars, KITA said.

Korea's 600 million dollar trade deficit with America in June alone ranked third in volume, following the Netherlands at 830 million dollars and Australia at 640 million dollars.

KITA explained that strong U.S. trade pressure was one of main factors, which caused the nation's trade with America to be in the red.

ROK: International Symposium Analyzes Status of DPRK Economy

SK2108090496 Seoul HANGYORE SINMUN
in Korean 21 Aug 96 p 4 — *Antiestablishment newspaper that generally reflects an anti-government, anti-U.S. position usually sympathetic toward North Korea*

[Article by reporter Kang Tae-ho: "The Gist of an International Symposium on the North Korean Economy"]

[FBIS Translated Text] Government officials, scholars, and experts are in complete agreement that North Korea is experiencing serious economic difficulties. This view defines the direction of our policy toward the North.

The international symposium on the North Korean economy, held on 20 August under the joint sponsorship of HANGUK KYONGJE SINMUN and the Korean Economic Research Institute, set "North Korean Participation in the World Economy" as its theme. This apparently is aimed at drawing attention to the fact that inducing North Korea to participate in the world economy is essential to bringing about a soft-landing for the North.

During the symposium, a participant stated North Korean cooperation with ROK businesses in the export sector will play an essential role for North Korea to integrate its economy into the world economy, and that North Korean participation in the world economy is a precondition for economic cooperation with the ROK.

William Newcomb, senior fellow of the Information and Research Division of the U.S. State Department who participated in the symposium, stated the North Korean leaders know they should open up their economy to recover from their economic difficulties, noting that North Korea has sought practical change pursuant to its own needs as a result of the economic crisis it has felt more keenly in the 1990s. As an example, Newcomb noted that North Korea has shifted the responsibility for and decision-making authority of economic problems to lower-level organizations.

At the same time, North Korea has encouraged the opening up of regular markets over the last few years so residents can buy and sell farm produce, food, and consumer goods. According to those who have recently visited North Korea, dawn trains bound for Pyongyang are filled with people who want to sell goods in the market place. In addition, urban residents have been seen traveling to rural areas to buy goods on the farmers' market and at cooperative farms. The presentation by the participant is based on the notion that North Korea will not collapse.

Senior fellow Newcomb, in a presentation entitled "The Requisites To Opening Up the North Korean Economy and the Resources for Assisting in Opening Up the Economy," which was jointly prepared with John Merrill, an analyst at the Information and Research Division of the State Department, regards the North Korean change as short-termed and temporary. Despite this, he notes this change could lead to a gradual modification of the past practices of the planned economic system.

(David Pannel), a department director at the U.S. Institute of Strategy for the Development of Asia and the Pacific, said the North Korean change can be seen in the North Korean policy for the Najin-Sonbong area. (Lin Turk), a senior adviser to the U.S. National Asia-Pacific Cooperation [APEC] Center, whose presentation was on North Korea's strategic approach for its economic integration into the world economy, stated there are conditions favorable for North Korea. According to him, the economic growth of APEC will bring forth financial sources for investment and the commercial market necessary for North Korea to reform; international financial institutions, such as the Asia Development Bank, will be able to provide financial assistance to North Korea with the consent of the United States and the ROK.

ROK: Korean Air Begins Seoul-New York-Boston Service 21 Aug

SK2208021196 Seoul THE KOREA HERALD in English 22 Aug 96 p 2 — Generally pro-government English-language daily

[FBIS Transcribed Text] Korean Air [KAL] began its service to Boston, Mass., from Seoul via New York in a ceremony held at Kimpo International Airport yesterday.

The airline will schedule three flights a week—on Mondays, Wednesdays and Fridays—on the route, a KAL spokesman said.

On the previous day, the national flag carrier launched its service to Newark International Airport in New Jersey. Newark International Airport is a one-hour drive

by car from John F. Kennedy International Airport in New York.

In addition, Korean Air will begin its operation in a route linking Seoul and Denver, Colo.

ROK: FBI To Open ROK Station in 1998 'at the Earliest'

SK2208034796 Seoul KYONGHYANG SINMUN in Korean 22 Aug 96 p 2 — Daily newspaper generally nonpartisan in editorial orientation

[By Pak In-kyu in Washington]

[FBIS Translated Text] A diplomatic source in Washington revealed on 20 August that the U.S. Federal Bureau of Investigation [FBI] will open an ROK station in 1998 at the earliest.

The source said that the opening of the ROK FBI station is one of U.S. plans to expand cooperation against international crimes.

The source said that FBI will add 23 overseas stations by 2000 and increase its overseas investigators twice.

The FBI plan means that its overseas special agents will be increased from the current 70 to 129, and the support forces from 54 to 79.

The source explained that the plan is to investigate terrorists, organized crimes, and drug cases that affect U.S. citizens.

The ROK and the United States signed an agreement on cooperation of criminal judiciary in 1993. The agreement will soon take effect after the ratifications are exchanged. An extradition agreement is under negotiations.

ROK: DPRK Reportedly To Advance New Proposal on Four-Way Talks

SK2208054596 Seoul HANGYORE SINMUN in Korean 22 Aug 96 p 1 — Antiestablishment newspaper that generally reflects an anti-government, anti-U.S. position usually sympathetic toward North Korea

[By Washington correspondent Chong Yon-chu]

[FBIS Translated Text] A diplomatic source in Washington stated on 21 August that North Korea would advance a new proposal concerning four-way talks through high-ranking Ministry of Foreign Affairs officials and that this will determine whether any progress is made in holding a four-way talks briefing involving the ROK, the United States, and North Korea.

This source said: "No progress was made at the second North Korea-U.S. contact held in New York on 20 August. However, it is very likely that Yi Kun, North Korean deputy director of the American Affairs Bureau, and other North Korean officials will present the new plan when they visit the United States on 28 August." He also said: "Whether any progress is made in holding the briefing on the four-way talks will be determined during the Washington visit by the North Korean foreign ministry officials which follows the trips to North Korea by U.S. Congressman Tony Hall and Carl Spence Richardson, first representative to the U.S. liaison office in Pyongyang."

The foreign ministry delegation composed of Deputy Director Yi Kun and three other officials, is scheduled to visit Washington, beginning 28 August, at the invitation of the Brookings Institution, a Washington-based private think tank. They will reportedly meet with U.S. State Department officials.

Han Song-yol, counselor at the North Korean Mission to the United Nations, and Michael Minton, director of the Office of Korean Affairs of the State Department, held a working meeting, during which the United States and North Korea reiterated each's position on four-way talks.

In the meantime, the State Department announced on 20 August that the United States was appointing Richardson, the former Korea desk officer at the State Department, as first head of the U.S. liaison office in Pyongyang.

ROK: DPRK's Hong Song-yong To Address Forum as Vice Premier

SK2208060396 Seoul CHOSON ILBO in Korean 22 Aug 96 p 8 — South Korea's largest and oldest daily; strongly nationalistic and anti-North Korean

[Article by reporter Kim In-ku]

[FBIS Translated Text] It was learned that North Korea recently appointed Hong Song-yong, who was vice premier and chairman of the State Planning Committee until the mid-1980's, as vice premier in charge of the affairs of the Najin-Sonbong area. This was confirmed in the published schedule of the Najin-Sonbong Investment Forum (13-15 September) distributed by the North Korean External Economic Cooperation Promotion Committee, which says that Hong will deliver a "welcoming address" in the capacity of vice premier at the opening ceremony on 13 September.

Hong Song-yong is reported to have been one of the influential ministers of the economy who served as minister of the shipbuilding industry in the 1970's, as

chairman of the State Planning Committee twice, and at the high point, as alternate member of the Political Bureau of the North Korean Workers' Party Central Committee. In February 1985, he was dismissed from all posts for involvement in a bribery scandal, but in a move that would have been impossible if he weren't a protege of Kim Chong-il, he was appointed as deputy director of the Organization and Guidance Department of the party Central Committee, a key post of the North Korean ruling circles in August 1988 and served in that post until recently.

ROK: Government Source Estimates Smaller Turnout at Najin Forum

SK2208073796 Seoul YONHAP in English
0641 GMT 22 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — The number of prospective participants at the Najin-Sonbong international investment forum in North Korea that is going to be held Sept. 13-15 is expected to be far less than originally expected.

A government source said Thursday that there are 200-300 prospective participants, far less than the 400-700 North Korea originally expected.

Although the Japanese Travel Bureau (JTB), which is in charge of making arrangement for Japanese participants, originally announced that 230 people were interested in attending the meeting, it is likely that the actual number of participants will be closer to 150, the source forecast.

American businesses are not showing a strong interest in the North's forum either since U.S. economic sanctions against the Stalinist country are still in place, making free trade and financial transactions difficult. Only a few Korean businessmen residing in America are going to take part in the meeting.

In Europe, approximately 30 government officials and businessmen have reportedly indicated that they intend to attend the meeting.

ROK: Ministry Report Shows Inter-Korean Trade Up in Jul

SK2208080996 Seoul HANGUK ILBO in Korean
22 Aug 96 p 2 — Widely read daily newspaper

[FBIS Translated Text] Inter-Korean trade, which showed a decline during the first half of this year, increased in July.

According to the "Trends in Inter-Korean Trade in July," published by the Exchange and Cooperation Department of the Ministry of National Unification on 21 August,

inter-Korean trade based on the amount of government approval in July was \$22 million and included 102 cases, an increase of 11.7 percent over the \$19.7 million and 100 cases in June.

Government approval for imports of North Korean goods in July was \$15.3 million, an increase of 16.1 percent over the \$13.2 million approved in June. The South's exports to North Korea in July, based on the amount of government approval, was \$6.7 million, an increase of 2.8 percent over the June figure.

ROK: Minister Kang Speaks at Asia-Pacific Telecommunity Meeting

SK2208063296 Seoul THE KOREA TIMES in English 22 Aug 96 p 1 — Daily English-language newspaper published by HANGUK ILBO

[By staff reporter Chae Hui-muk]

[FBIS Transcribed Text] Korea is ready and willing to share her experience and knowledge in telecommunications with any member country of the Asia-Pacific Telecommunity (APT), contributing to the regional telecommunications development, Information and Communication Minister Kang Pong-kyun said yesterday.

Kang named TDX, an electronic switching system developed by Koreans, and code division multiple access (CDMA)-based systems, which were commercialized here for the first time in the world, as examples of the technology to offer.

"I believe that there is a critical need for a system that promotes information sharing, exchange of research results and joint R&D projects," Kang said in an opening speech at the 16th meeting of APT's Study Groups at the Swiss Grand Hotel in eastern Seoul.

In this regard, Korea proposed the building of the Asia-Pacific Information Infrastructure (APII), which also promotes technological cooperation among member countries, Kang said.

Most nations are exerting their efforts to expand telecommunications facilities and have joined the global race of building their own national information infrastructure, realizing that economic development and social structure are directly tied to the information structure, he explained.

He noted that the role of the Asia-Pacific region as an advocate for global prosperity and cooperation will be greatly strengthened in the coming 21st century.

"Therefore, we now have all the more reasons to collaborate and cooperate, particularly in the field of telecommunications," Kang told the participants.

The annual meeting, to continue this year, is being participated in by more than 100 telecommunications experts from Asia and Pacific countries, exchanging information on current issues in telecommunications.

He pointed out that many countries are still lacking in basic telecom facilities, especially in the level of information and communications technology, which is essential for the development of a sophisticated information structure, emphasizing the significance of the APT.

In the current study period of 1994-1996, the participants are attempting to resolve 22 questions, the first number ever, a ministry official said.

The fields of studies vary from telecommunications policy issues representing the development of services of digital networks (B-ISDN), personal communications networks (PN), personal communications standardization, introduction of communications services, the most recent information technology, and so on.

ROK: Seoul, Tokyo To Hold Aviation Talks
SK2208045596 Seoul THE KOREA TIMES in English 22 Aug 96 p 8 — Generally pro-government newspaper

[FBIS Transcribed Text] Aviation and Japan will meet next month in Tokyo for aviation talks in two years, the Ministry of Transportation said yesterday.

With the specific date not set, the talks are expected for mid or late September, a ministry official said.

The upcoming talks come following the decision that the 2002 World Cup Soccer will be hosted by Korea and Japan. The co-hosting event is expected to greatly boost relations between the two countries.

"The imminent talks are not likely to be directly related to the World Cup because they will start from now," a ministry official said.

He said that the immediate issues to be discussed include the number of passenger flights on routes between Seoul and Tokyo with high load factor and opening of new routes.

At the talks, Korean officials will discuss the number of Korean carriers' passenger flights to Tokyo and Osaka.

But, the prospect for Tokyo to accept more Korean carriers is not optimistic because Japan's Narita International Airport has reached a capacity.

Seoul's proposal to hold aviation talks was also stimulated by Japanese local governments' requests to the Korean government to launch regular air service to their own cities.

"In opening new routes, Japanese local governments show much enthusiasm while the central government is reluctant," said the official.

At least five Japanese cities, including Akita, Shimane and Fukushima, asked Seoul to open up air services linking Korea and their own cities, he said.

The arrival or departing points on the Korean side of the possibly newly opened routes will be the provincial airports in Pusan, Kwangju and Taegu, in view of that the handling capacity at Seoul's Kimpo International Airport reached limit, he said.

Korea-Japan routes are one of the most profitable routes for Korean carriers. Presently, Korean Air and Asiana Airlines operate 121 flights a week on 32 routes between the two countries.

ROK: Seoul, Beijing To Hold Talks on Fishery Agreement

SK2208044196 Seoul YONHAP in English
0246 GMT 22 Aug 96
— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — South Korea and China will have talks Monday to narrow differences over signing a fishery agreement, the first ever between the two neighboring countries, which will help them jointly exploit maritime resources in the Yellow Sea and solve disputes involving territorial violations by fishermen, a Foreign Ministry spokesman said Thursday.

Deputy Director General Yi Won-hyong of the Foreign Ministry's Asia and the Pacific Affairs Bureau will lead the Seoul delegation to the talks, the sixth of its kind, which will be held in Beijing until Tuesday, the spokesman said.

The talks are aimed at producing a new fishing order in Northeast Asia that is consistent with the United Nations Convention on the Law of the Sea which guarantees its member countries 200-nautical-mile exclusive economic zones.

Maritime authorities from the two countries will also meet on the sidelines of the fishery talks to discuss ways to crack down on illegal fishing in the waters of both countries and how to handle accidents involving vessels in bordering waters, the spokesman said.

ROK: Farmers' Groups, Government 'Haggle' Over PRC Rice Imports

SK2208063196 Seoul THE KOREA TIMES in English
22 Aug 96 p 8 — *Daily English-language newspaper published by HANGUK ILBO*

[Article by staff reporter Sim Chae-yun: "Gov't, Farmers Haggle on Chinese Rice Import"]

[FBIS Transcribed Text] Controversy has flared up concerning the government's import of Chinese stable rice.

Farmers' organizations across the nation have held rallies in protest against the rice imports.

The Ministry of Agriculture and Forestry and Office of Supply (OSROK), for their parts, have attempted to release the rice in major ports of the nation but have failed to do so due to possible confrontations with farmers.

The ministry and OSROK, having decided to introduce 71,260 tons of Japonika-type rice within this month, had the first shipment arrive at Pusan Port Aug. 16. However, it failed to discharge the rice due to strong resistance by farmers.

The farmers' organizations, led by the National Farmers Union, have announced that they would stage protest meetings at the nation's five major ports, including Pusan, Inchon, Kunsan, Pohang and Masan, where rices are planned to be unloaded.

Among the nine ships carrying the rice, three have arrived at Pusan, Inchon, and Yosu Ports, delivering 8,100 to 11,300 tons of rice.

Among the ships, the Sea Champ, which arrived in Yosu Port on Aug. 20 carrying 10,000 tons of rice, was originally set to enter Mokpo Port at the request of OSROK, ignoring the protest by some 300 farmers at Mokpo Port.

Despite having arrived at the ports, the three ships have failed to dock and unload.

Related ministry officials have tried to explain that unloading has been delayed because of necessary quarantine examinations, which usually take just one day.

The ministry and OSROK have planned to import the rice via six ports, including Tonghae Port, in addition to the aforementioned five others. Some 30,000 tons of rice comes from Dalian and 41,260 tons from Shanghai.

The amount of rice that has arrived in Korea reaches 29,400 tons. The remaining rice volume to be imported through the six rounds of shipments within this month stands at 41,860 tons.

Related ministry authorities have kept the date and docking destinations secret, wary of strong repercussions from farmers.

The farmer organizations have asserted that the imported rice will eventually lead to the collapse of domestic rice production and seriously undermine the basis for self-sufficiency of the staple food grain.

The administration, for its part, has been desperate to import rice in a bid to lower rice prices and secure a stable supply, especially at this time when there has been growing concern about a possible rice shortage.

The administration has also been wary of stored rice going bad under hot and humid conditions.

ROK: Ex-Russian Foreign Minister on ROK Investment, 4-Way Talks

SK2208043096 Seoul YONHAP in English
0300 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — With the reelection of President Boris Yeltsin, Russia is now working on a comprehensive set of measures to remove obstacles for foreign investment from South Korea and other nations, former Russian Foreign Minister Andrey Kozyrev said Thursday.

"The comprehensive measures, including tax breaks and improvements in commercial settlement methods and legal system, are now awaiting presidential approval," he said.

The Russian parliamentarian was speaking to reporters at the Sheraton-Walker Hill Hotel. He is here to participate in an international conference on peace in peninsular nations sponsored by the Unification Church.

Kozyrev said he expects more Korean investment into Russia because of the waning threat of the reemergence of the communist party and the continuance of Yeltsin's reform policies.

On the proposed four-way talks for peace on the Korean peninsula, Kozyrev expressed Moscow's regret over its exclusion from the meeting, but that his nation's snub was a result of negligence on the part of its policy towards East Asia.

"However, through international conferences on the Korean peninsula issue, I expect Russia to play a greater role in bringing peace to the Korean peninsula," he said.

Russia notified North Korea of its intention not to extend bilateral friendship treaty last year, Kozyrev said, but the North has said nothing on the matter thus far.

From now on there will be no particular change in Moscow-Pyongyang ties and they will simply continue, he said.

On Yeltsin's alleged health problems, he said that he does not know the state of the president's health.

ROK: LG Construction, French Firm To Build Gas Refinery in Saudi Arabia

SK2208075796 Seoul YONHAP in English
0734 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — LG Construction Co. has won a project to build a gas refining facility for ARAMCO, the largest oil company in Saudi Arabia, worth 172 million U.S. dollars jointly with Technip, a French oil engineering firm.

The company, in announcing the deal Thursday, said the project involves an expansion on the gas refining facility at the Abqaiq Oil and Gas Refining Plant some 400 km from Riyadh. Technip is slated to take care of designing, and the supply of major equipment, and LG Construction will be involved with construction, and the supply of construction material.

LG's share in the project will amount to some 55 million dollars, which is to be completed by the end of 1998, with construction slated to start next month.

The South Korean company won a similar project from Saudi Arabia last April, amounting to 35 million dollars, and it has been put in a good position to win a follow-up project for an 8-million-barrel-a-day gas plant that will be built in the near future, the company said.

ROK: Lawmakers Could Lose Seats Over Campaign Violations

SK2208104296 Seoul YONHAP in English
1026 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — About 15 incumbent legislators may lose their assemblymanship as a result of election law violations committed by themselves or their campaigners, an official at the Central Election Management Committee said Thursday.

Im Chae-sun, chief of the Committee's Office of Election Management, said that of the 15, one or two are likely to be prosecuted for illegal electioneering while the remainder would see their election managers or account chiefs indicted for dropping parts of election expenses from the total election spendings declared.

The 15 lawmakers, Im said, include Choe Uk-chol of the ruling New Korea Party (NKP), Yi Ki-mum of the opposition National Congress for New Politics (NCNP) and Kim Hwa-nam, an Independent.

Under the election law, a person's election becomes nullified if the electee is fined more than 1 million won or one's election manager, chief accountant or a family member is sentenced to a prison term on charges of violating the election law.

ROK: Ez-Assembly Vice Speaker Breaks 'Silence' on Nomination

SK2208063396 Seoul *THE KOREA TIMES* in English
22 Aug 96 p 2 — Daily English-language newspaper published by HANGUK ILBO

[FBIS Transcribed Text] As if challenging President Kim Yong-sam's explicit warning against potential presidential contenders voicing their personal views regarding the candidacy issue, former Assembly vice speaker Rep. Yi Han-tong broke the silence.

In an interview with the CHOSON WEEKLY [CHUGAN CHOSON], he expressed skepticism about the possibility that the party will put up a standard-bearer through "negotiation" as opposed to free competition.

"Who would take the job of the 'negotiator,' and who would readily accept the 'negotiated' candidate?" he asked.

From the standpoint of living up to the principles of democracy, free competition is too natural, he said, indicating that he stands by the principles.

His position is in contrast to that of the stalwarts from the Minju faction, followers of President Kim Yong-sam from the time when he was leading an opposition party. They prefer in-house negotiations instead of free competition.

Reps. Choe Hyong-u, So Sok-chae, Kim Tok-yong, and former NKP [New Korea Party] chairman Kim Yun-hwan fall into this category.

ROK: Editorial Cautions Against Amendment of Presidential Term

SK2108090696 Seoul *CHUNGANG ILBO* in Korean
21 Aug 96 p 6 — Widely read daily newspaper owned by the Samsung Business Group

[Editorial: "Ruling Party Should Be Discreet With Proposing Constitutional Revision"]

[FBIS Translated Text] The National Assembly speaker has drawn public attention since he proposed the need for a constitutional revision which would change the

current five-year single term presidency into a four-year term with the possibility for reelection. He said reelection tenure is needed as to ask for the nation's interim confidence, maintaining the president cannot streamline long-term programs under a single five-year term. The opposition parties immediately termed his remarks as a "proposal likely to incur confusion in the political situation," and called on the ruling camp to clarify its position.

Though he explained his remarks were made in principle, we cannot but caution ourselves against the fact that such remarks came from the so-called National Assembly speaker, or the top-level executive of the ruling camp. For a country like ours, with an unfortunate history of constitutionalism, any suggestion regarding a revision of the Constitution is strongly believed to be highly discreet no matter how pure its motive may be. This holds true all the more for the National Assembly speaker, considering his influential power. We feel uneasy not knowing what kind of angle or motive prompted him to make such remarks when it is obvious how large the ensuing ramifications will be.

We do not believe the Constitution is invariable. On the contrary, it can be revised for the benefit of the nation. However, we also believe that discussions on amending the Constitution should proceed fair and square with plenty of time allowed. Given that we have a bad precedent of attempting to allow presidents to serve third terms, the matter of revising presidential tenures is highly likely to invite suspicion that the proposal may be a plot to seek prolonging his or her rein. This is why President Kim Yong-sam has vowed, at every chance available, not to allow such a constitutional revision while he is in office.

Keeping this in mind, something is inexplicable about the National Assembly speaker's remarks. That President Kim's tenure is only a year and a half away when the remarks were made casts doubt about his remarks. It was indiscreet of the National Assembly speaker to make such remarks while rumors are making their way through political circles, including such hearsay: "The amendment of the Constitution stands a chance if epoch-making changes occur in South-North Korean relations." We hope the ruling party will show a clear stance in a bid to prevent an unnecessary tug-of-war.

ROK: Finance Ministry To Supplement Budget With 1.4 Trillion Won

SK2108092196 Seoul YONHAP in English

0846 GMT 21 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 21 (YONHAP)

— The government will map out a 1.4 trillion-won supplementary budget to finance the reconstruction of flood-stricken areas and make up for revenue shortages in the special account for investment due to a delay in the public sale of shares in some state-run corporations.

In his business report to President Kim Yong-sam Wednesday, Finance and Economy Minister Han Sung-su said the government would supplement this year's budget with an additional 1.41 trillion won.

The additional money will include 858.5 billion won to make up for special-account revenue shortages due to the delayed sale of shares in public corporations, 300 billion won to finance reconstruction of the flood-damaged areas, and 248 billion won for settling the 1995 and 1996 subsidy accounts.

The additional money will be drawn from last year's 406.5 billion-won revenue surplus, 500 billion won from this year's expected revenue surplus and another 500 billion won from pension and other funds.

The government had earlier planned to raise 1.98 trillion won by selling a limited portion of shares in Korea Telecom and the Kukmin Bank, but revised the plan to reduce the amount to one trillion won by postponing the plan involving Korea Telecom until next year.

ROK: Ministry Unveils Plan To Attract Direct Foreign Investment

SK2208075196 Seoul YONHAP in English

0731 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP)

— Beginning next year, companies that have foreign shareholders may lease factory sites in state-owned industrial parks free of charge for up to 20 years, provided that they have been granted a tax break for technology-intensive enterprises that will advance the domestic industry's technical sophistication.

According to a plan announced by the Finance and Economy Ministry Thursday to attract more direct foreign investment to South Korea, foreign investment in industries partially opened to foreign firms will be made without government approval. Such investment will take place by simply filing the investment plan with the relevant agency.

The plan, which will be fully reflected in an amendment to the foreign capital inducement law which the ministry will refer to the National Assembly during its coming regular session for approval, also paves the way for friendly takeovers of domestic companies by foreign companies through mergers and acquisitions (M&A).

The amendments, if passed by parliament, will go into effect next January, with the foreign capital inducement law being rechristened "Law Concerning Foreign Investment and Foreign Capital Inducement," ministry officials said.

But friendly foreign takeovers of a company with two trillion won (about 2.44 billion U.S. dollars) or more in assets, will be subject to the finance and economy minister's approval, except for an investment that falls short of becoming the largest controlling shareholder with a stake of less than 15 percent.

Friendly takeover, here, means the sale of a domestic company so that it can merge with a foreign firm under an agreement reached at the domestic company's board of directors.

The amended law will bar, however, foreign firms from taking over, through M&A, companies in the industries where foreign investment is restricted. This means that foreign investment limits on these companies, set at 18 percent of a given company's total capitalization for all foreign investors and 4 percent for an individual investor, will be in force under the new law.

The new law will allow companies with foreign shareholders to secure loans equivalent to foreign stock ownership repayable over a period of five years or more from their parent (holding) or related company to finance capital good imports, and by the end of 1999 they will be allowed to obtain cash loans to use for operating funds.

The law also has provisions for setting up an office that will provide support services to foreign investors.

ROK: Kim Yong-sam Seeks 12-Percent Increase in Defense Budget

SK2108092596 Seoul YONHAP in English

0853 GMT 21 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 21 (YONHAP)

— President Kim Yong-sam instructed the government Wednesday to increase the nation's defense budget for next year by 12 percent, stressing the need to boost morale on the frontline and streamline the nation's military.

Since the situation surrounding the Korean peninsula is uncertain, excellent morale and modernization of the nation's military capabilities are essential, the president said in defending the increase.

The chief executive conveyed the instruction to Deputy Prime Minister and Finance and Economy Minister Han Sung-su after reading the ministry's interim budget report for next year.

South Korea allotted 12,736 billion won for its military this year, and the 12-percent hike would increase the sum by 1,528 billion won to 14,264 billion won for 1997.

The president also called for additional funding for more police officers and police equipment to heighten the public's sense of security and safety, citing the recent difficulties experienced by riot police in manpower and equipment in quelling the "grand unification rally" that was pushed for by Hanchongnyon [South Korean Federation of University Student Councils].

The increase in the number of officers and equipment would ensure that citizens have peace of mind to proceed with their jobs, he added.

As a means to overcome the nation's current economic woes, Kim asked citizens to refrain from extravagant spending and to act frugally. He also instructed that the government's operating expenses for next year be reduced so that the government can serve as a model of efficiency.

The increase rate for defense spending had stayed in single digits after 1992's 12.5 percent increase. South Korea's military expenditures went up 9.5 percent in 1993, 9.4 percent in 1994 and 9.9 percent last year.

Meanwhile, Kim Chong-kuk, director general of budget coordination for the Finance and Economy Ministry, said the government is aiming to boost next year's overall budget by about 14 percent from this year, although government revenues for 1997 have not been finalized yet and the nation's taxation system still needs to be revised.

Speaking to reporters at the government building in Kwachon, south of Seoul, Kim said that operating expenses including those for special events, business trips and office furnishings, will only go up 5 percent next year, much lower than the 20 percent rise this year. He added that wage hikes for public servants have not yet been determined.

ROK: Police To Detain 512 Students, Release Remaining Students

SK2208015496 (Internet) *The Digital Chosun Ilbo*
WWW in English 1205 GMT 21 Aug 96

World Wide Web-based electronic version of CHOSON ILBO, carrying English-language summaries and full-text of articles, editorials, etc. appearing in vernacular version of hardcopy paper

[FBIS Transcribed Text] Prosecutors and police announced Wednesday after having investigated 3,420 students arrested the previous day at Yonsei University, that they will detain 418 students. If all the requested warrants are to be issued, the total number of detained students will reach 512, including 94 students previously detained. The police will indict 2,000 students who were peripherally involved without custody and 900 will be turned over to summary court or dismissed with caution. The police classified demonstrating students into four classes. Class A includes student leaders, behind-the-scenes operators, students who threw Molotov cocktails and wielded steel pipes, and violent demonstrators. In Class B are stone throwers, violent demonstrators, students who chanted slogans, and overseers who prevented defections. Those students belonging to Class A and B will be formally detained and indicted. Those who were actively involved in the demonstration, but who were repentant or not violent enough to be arrested are considered members of Class C and D class and will be indicted without custody.

Currently, 3,899 students have been detained, including 3,420 on Tuesday. Prosecutors said that the highest possible punishment will be requested for those who are to be indicted in order to root out violent demonstrations. Moreover, those who belong to Hanchongnyon affiliated groups recognized as benefitting the enemy will be subject to punishment under the National Security Law.

ROK: Police Arrest Total of 462 Students at Yonsei University

SK2208020196 *Seoul YONHAP in English*
0138 GMT 22 Aug 96
— Semi-official news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Police arrested 369 students Thursday for their suspected active roles in the recent violent student protests at the Yonsei University campus, bringing the total number of arrests related to the incident to 462.

Police requests on Monday for arrest warrants for a total of 371 students were accepted by a court except for two coeds, for whom judges turned down the requests on account of "insufficient evident." The

arrested were accused of violating the law on assembly and demonstration, interfering in the police's official duties and intruding upon Yonsei University buildings.

The number of activists formally arrested therefore increased to 462, including the 93 people prosecuted earlier.

Charges of violating the National Security Law were additionally filed against 36 students who were suspected of having produced and disseminated publicity material "benefiting the enemy."

More than 3,000 students hauled away from the Yonsei University campus Tuesday, for whom no arrest warrants were sought or refused by the court, were released Thursday morning.

Many of them were, however, booked without physical restraint. The prosecution and police authorities plan to summon those students as early as Thursday afternoon for reinvestigation.

ROK: Policeman Dies From Wounds Inflicted by Student Activist

SK2208040196 Seoul YONHAP in English
0012 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — A police enlisted man died Wednesday evening from head wounds he sustained Tuesday from a rock hurled by a student activist during the police raid on a Yonsei University building.

Auxiliary policeman Kim Hui-chong, 20, is the first victim of the nine-day-long standoff between the police and militant students at the Yonsei University campus that ended Tuesday.

"When Kim was rushed to the hospital, he was brain dead. He underwent surgery but it was of no help," a hospital spokesman said.

Kim collapsed at the scene at around 6:30 AM Tuesday during the police raid of the composite hall building of Yonsei University after a rock hurled by a student from the sixth floor hit him on the back of his head.

Funeral arrangements are being discussed by police authorities and Kim's bereaved family.

ROK: Kong No-myong Pays Last Respects to Fallen Policeman

SK2208074696 Seoul YONHAP in English
0714 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — Foreign Minister Kong No-myong Thursday visited

the National Police Hospital in Karak-tong, southeastern Seoul, to pay his respects to the late Kim Chong-hui, a riot police officer who was fatally struck in the head by a stone during the recent student demonstrations at Yonsei University.

After visiting Kim's coffin, Kong also encouraged scores of other injured riot policemen receiving treatment at the hospital.

ROK: President Kim Visits Yonsei University, Police Hospital

SK2208042896 Seoul YONHAP in English
0402 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — President Kim Yong-sam visited Yonsei University Thursday morning to look around the campus where the violent nine-day Hanchongnyon demonstration took place.

After looking around campus, Kim said that the nation's universities must make strenuous efforts to restore their "wounded honor and fallen authority by bracing up and reflecting on themselves."

It is quite rare for a chief executive to make an on-the-spot trip to the site of protests staged by militant students.

Earlier in the day, President Kim visited the National Police Hospital where the coffin of the dead policeman Kim Chong-hui was placed. Kim died Wednesday night from serious injuries he received during a melee at Yonsei University Tuesday.

Kim also consoled and encouraged 83 police troopers who were hospitalized for injuries they sustained in clashes with militant student activists.

The president emphasized that no violent forces challenging law enforcement authorities will be forgiven under any circumstances.

ROK: Security-Related Ministers Discuss 'Illegal' Demonstrations

SK2208065796 Seoul YONHAP in English
0602 GMT 22 Aug 96

— *Semiofficial news agency of the ROK*

[FBIS Transcribed Text] Seoul, Aug. 22 (YONHAP) — The government, in an effort to break up Hanchongnyon or the Korean Federation of University Student Councils, decided Thursday to form a task force to round up the federation's core members by forming a task force.

The decision was reached at a meeting of public security-related ministers held at the prime minister's

residence, which defined Hanchongnyon as "a violent leftist-leaning organization." It was previously defined as a "pro-North Korea activist group."

Convened in the wake of the violent student protest at the Yonsei University campus engineered by Hanchongnyon, the meeting discussed ways to actively cope with illegal leftist violence, rallies and demonstrations.

The participants agreed on a shift in focus of future measures to counter illegal assemblies or demonstrations from the break-up of protesters to the apprehension of key players.

In this context, the law on assembly and demonstration will be amended to the effect that it requires the submission of written permissions signed by owners for the use of facilities when plans for rallies or demonstrations are reported to the authorities. The anticipated revision is expected to provide the legal basis for police to prohibit illegal rallies and assemblies in advance in response to an owner's request to protect their property.

To help formulate popular consensus so that "leftist" organizations like Hanchongnyon may not be tolerated by society, the government plans to intensify public information activities and ideological guidance.

Justice Minister An U-man reported to the meeting that his office will release students who played passive roles in the demonstrations, freshmen and female students on condition that their parents or professors submit written pledges to guide them properly.

Asked if that stance does not contradict with Prime Minister Yi Su-song's earlier statement of lenience toward simple participants in the violent protest, a senior official from the Prime Minister's Office said that the situation has changed.

While the premier's announcement presupposed voluntary break-up or surrender by students, the protesting students were rounded up by the police and a policeman has even died from wounds inflicted by demonstrators, he pointed out.

Education Minister An Pyong-yong told the meeting that a variety of steps will be taken to prevent campuses from being used as the home base for violent leftist organizations in the future.

School regulations will be strictly applied to core members of such organizations, student council fees separated from tuition fees, and no financial support extended to illegal and unhealthy student activities, according to An.

"Student guidance activities will be evaluated and their results will be reflected in the government's plan to offer

administrative and financial support to universities and colleges," An added.

ROK: Namchongnyon Plays Leading Role in Student Demonstrations

SK2208081696 Seoul KYONGHYANG SINMUN
in Korean 20 August 96 p 2 — Daily newspaper
generally nonpartisan in editorial orientation

[Article by reporter Kang Min-sok entitled, "Namchongnyon Plays Leading Role in Hanchongnyon's Situation"]

[FBIS Translated Text] Observers note that the students belonging to Namchongnyon [Kwangju-South Cholla District Federation of University Student Councils], which is notorious for its radicalism, were the hawkish group in the occupation and staging of demonstrations at Yonsei University.

Namchongnyon is recognized as the front-runner force among radical student groups that organized such extreme acts as stopping a running train in 1994 to come to Seoul and demonstrating violently at Hongik University.

Therefore, it was shocking to hear that Namchongnyon actually served as the "death-defying defenders of Hanchongnyon," thus playing a leading role in the demonstrations at Yonsei University.

Even the police that are seasoned in quelling student violence, shake their heads in resignation at the mention of Namchongnyon.

The riot police think that the vanguard of the radical student group hail from South Cholla area rather than Kangwon and Kyonggi regions.

A riot policeman who was involved in quelling the student demonstrations said, "Police are not afraid of demonstrations by thousands of students from So-chongnyon [Seoul District Federation of University Student Councils], which is a recognized radical group. However, police are alarmed when ten Namchongnyon students appear. When tear gas is shot at them, they do not run away, but attack the riot police more fiercely."

While some student demonstrators at Yonsei University chose to break away on the afternoon of 18 August, no Namchongnyon members were among the deserters.

Moreover, the Namchongnyon leader who was seen leading the demonstrations at the Science Hall of Yonsei University around 9 PM (1200 GMT) on 17 August, was later found to have already stolen out of the building. His elusive tactics and moves, therefore, has amazed those who were on hand.

As Hanchongnyon's sit-in becomes protracted, however, discord and rifts are surfacing among the student leadership over Namchongnyon's radicalism.

An official of the Seoul Metropolitan Police Bureau disclosed that, "Many of the students who left the sit-in cited the radicalism of Namchongnyon as one of their reasons for leaving."

He added, "Most students are so exhausted and hungry that they even want the police to bust the sit-in and apprehend them, but the Namchongnyon students are practically forcing such students to remain."

Prosecution officials said, "While it appears that the student leaders of other districts have already left the sit-in at Yonsei University, some ten remaining Namchongnyon students will continue to lead the hawkish group to the end."

ROK: Editorial Criticizes President's 'Belated Countermeasures'

SK2208021596 (Internet) The Digital Chosun Ilbo
WWW in English 1201 GMT 21 Aug 96

[Editorial: "A Turning Point in Handling Hanchongnyon's Demonstration"]

— World Wide Web-based electronic version of CHOSON ILBO, carrying English-language summaries and full-text of articles, editorials, etc. appearing in vernacular version of hardcopy paper

[FBIS Transcribed Text] President Kim Yong-sam met the presidents of Korean universities on Wednesday and said about Hanchongnyon's demonstration that "it is a dissident campaign and urban guerrilla operation which follows and supports North Korea." He also condemned their activities as anti-democratic and anti-national.

While the situation of Hanchongnyon's violent demonstration was heatedly developing, we were more worried about the government's belated countermeasures and political circles' opportunistic logic of blaming both sides, than Hanchongnyon's demonstration, itself. We were also angered by certain intellectuals' hypocritical logic of sympathizing with students and citing "lack of space for discussion on reunification issues," "student's pure desire for reunification," and "in discriminatory suppression methods." And, most of all, we were sorry that the President did not make an immediate and direct statement regarding this situation.

In this situation, President Kim's clear judgment and statement more than freed us from distinct insecurity. We especially appreciate President Kim's stressing the necessity of courageous and determined educators and his pledge to strictly punish the violent students and

never permit students who believe in communism. These appreciable comments reflect that he not only recognizes the seriousness of the situation, but also that he is more than willing to take action.

For the last three years, President Kim's reform efforts were concentrated mostly on pan-rightists. He did not go after the ultra-leftists during this period and, as a result, ultra-leftists became bold enough to hold a pro-North Korean rally in the heart of the capital to show off their force. Maybe they disregard or look down on Kim's government.

The violent situation presented by Hanchongnyon was, in a way, a test and a challenge to Kim's government. If Hanchongnyon and its followers had succeeded in this challenge, we might have run into a really unfortunate situation. We hope that Kim's announcement will be recorded as a turning point for action during such dangerous situations.

ROK: Universities To Eliminate Funds for Illegal Student Groups

SK2208014696 (Internet) The Digital Chosun Ilbo
WWW in English 1206 GMT 21 Aug 96

World Wide Web-based electronic version of CHOSON ILBO, carrying English-language summaries and full-text of articles, editorials, etc. appearing in vernacular version of hardcopy paper

[FBIS Transcribed Text] The Ministry of Education ordered the prohibition of illegal and unhealthy ideological circles from using offices on campus and student councils from engaging in businesses such as coin-operated machines or campus shops Wednesday at a meeting of Korean university presidents held at Yonsei University.

The Ministry told 292 university presidents and deans that three policy changes would take place as a means of eliminating funds for illegal students activities. They are: the strict separation of school registration fees for student councils, the prohibition of providing support from the school budget to illegal and unhealthy student activities, and preventing student councils' from operating businesses on campus.

The Ministry also prohibited fund raising and the use of school rooms for illegal student activities while urging the strengthening of the student guidance system. It also ordered heavy academic discipline for those who destroy order on campus and school facilities.

**ROK: Heavy Penalties Set for False
Country-of-Origin Labels**

SK2208061796 Seoul THE KOREA HERALD
in English 22 Aug 96

p 8 — Generally pro-government English-language daily

[FBIS Transcribed Text] The government will get tougher on imports with either falsified or misleading country of origin labels by issuing recall orders or slapping heavy penalties on the violators, officials said yesterday.

"Since the customs clearance became possible with only document screening instead of item inspection, cheap garments or shoes made in developing countries have been imported here with false or confusing labels, as if they were famous brands of industrial countries," said an official at the Ministry of Trade, Industry and Energy.

To prevent the import and distribution of such products, the government will issue a "recall" order, forcing them to be taken into the bonded areas, he said.

Some Fila-brand clothing and shoes made in China, Romania and Indonesia under the original equipment manufacturing (OEM) basis have recently been slapped with recall orders for the first time here as they marketed products with labels that could suggest to local consumers that they were made in Italy.

A joint team consisting of officials from central and local governments as well as customs inspectors will conduct a crackdown on similar violation, the official said.

For "habitual" violators, the customs authorities will go back to the inspection of actual items instead of passing them by document review, he said. "The officials will also see that even those items which passed customs be marketed under correct labels in the distribution stages."

The country of origin rule on imports was introduced in July 1971 to prevent the imports and marketing here of low-priced products made in developing countries under the disguise of expensive, famous-brand goods.

Under Korea's simplified customs clearance system, the ferreting out of violators will likely become much more difficult, forcing the officials to toughen the penalties.

Between 1994 and the first half of 1996, the number of such violations stood at 10,643, and the authorities issued orders of rectification or warnings in 9,337 cases, imposed fines on 539 and filed charges with 167 blatant cases, the official said.

**ROK: Samsung, Microsoft To Produce Multimedia
Signal Processors**

SK2208063096 Seoul THE KOREA HERALD
in English 22 Aug 96

p 8 — Generally pro-government English-language daily

[FBIS Transcribed Text] Samsung Electronics Co. said yesterday that as part of its move to enhance its non-memory semiconductor division, the company would diversify by moving into the multimedia signal processor (MSP), business.

Samsung's MSP project will be launched in joint endeavors with Microsoft Corp. (MS), a company spokesman said.

The plan calls for developing a pilot product by the end of this year and embarking on mass-production in the first half of 1998 to take up 10 percent of the global share and increase it to 20 percent in 2000 with annual output of 15 million units, the official said.

The company held a business explanation session at Samsung Semiconductor Inc. (SSI), a wholly-owned corporation based in San Jose, Calif., with the attendance of Chin Tae-che, the company's vice president, and Cliff Reader, associate director for strategic marketing of SSI.

MSP, a single-chip device based on Samsung's up-to-date technology, incorporates a real-time multimedia kernel from MS and is integrated with all Windows-compatible media, according to the company. Samsung's MSP is also positioned to increase the performance capabilities of all seven multimedia functions, including three-dimensional graphics acceleration, audio, fax modem, telephony and video applications.

"As a result of our highly effective use of silicon in this design, we have been able to make the highest performance multimedia processor which offers not only the industry's best cost versus performance solution, but added functionality to boot," Reader was quoted as saying at the briefing session.

MSP, regarded as the leading chip of the next-generation multimedia, will likely form its market by the end of 1997 and grow rapidly at an annual rate of 53 percent to 31 million units in 1998 and 72 million in 2000, said Chon Man-su, a PR [public relations] manager at Samsung Electronics' Seoul headquarters.

Samsung, the world's largest manufacturer of memory chips, has recently selected the multimedia sector as its mainstay business and seeks to establish a competitive base by narrowing the technology gap with industrial countries, Chon said.

In order to help finance the company's facility expansion, meanwhile, Samsung Electronics plans to issue convertible bonds (CB) worth \$150 million either in the U.S. or European markets, said company officials.

It is the first fund raiser through bond issuance in a year by the giant electronics firm. Sales of the bonds, which can be converted into equities instead of redemption upon maturity, will begin around Sept. 10 and payment deadline is set for Sept. 30.

Detailed issuance terms, such as the bonds' coupon rates and conversion prices, have yet to be decided, the officials said.

ROK: LG Electronics Develops Hand-Held Personal Digital Assistant

SK2208040696 *Seoul THE KOREA TIMES in English* 22 Aug 96 p 8 — *Daily English-language newspaper published by HANGUK ILBO*

[FBIS Transcribed Text] LG Electronics has successfully developed the world's first hand-held personal digital assistant (PDA) with functions ranging from cellular telephone and pager to wireless facsimile.

Unveiling the LG PDA Multi X, LG president Ku Chahong said the new product signals another revolutionary chapter in personal commuting and places Korea on the worldwide electronics map.

The GPA-1000 is the world's smallest PDA and is 153 millimeters in length, 65.8mm in width and 33mm in thickness and weighs just 310 grams.

Developed with its indigenous technology, the product, which is slightly larger than a conventional cellular telephone, can be used as an electronic notebook and for playing games.

"Tests have shown that despite its diverse functions, it has exceptionally high reception and call completion rates due to an advanced RF [radio frequency] system," explained Sin Ki-sob, executive director for telecommunications.

Compared one on one with such well-known PDAs as Simon by IBM and Newton by Apple, it is superior in terms of both function and performance and the lithium battery lasts longer than conventional batteries, he said.

For instance, IBM's Simon weighs 514 grams, can provide communications for one hour and does not have a pager function while the Multi X offers 1 hour and 55 minutes of continuous talk time and wireless facsimile functions.

ROK: Subscribers to Digital Cellular Phone Services on Increase

SK2208014296 *(Internet) The Joong-Ang Ilbo WWW in English* 22 Aug 96 — *World Wide Web-based electronic version of CHUNGANG ILBO, carrying English-language summaries of articles, editorials, etc. appearing in vernacular version of hardcopy paper*

[FBIS Transcribed Text] The number of new subscribers to code division multiple access (CDMA) digital cellular phone services surpassed those of analog phones for the first time in June. The number of new subscribers to analog phone services offered by the Korea Mobile Telecom (KMT) which stood at 75,000 in May dropped to 41,600 in June. In contrast, new subscribers to digital cellular phone services offered by KMT and Sinsegi Telecom increased from 40,800 in May to 48,590 in June. In July, new subscribers for analog phone services remained at the 40,000 level while those who subscribed to digital services exceeded 65,000.

ROK: New Type of Computer Virus Spreading Throughout Internet

SK2208014096 *(Internet) The Joong-Ang Ilbo WWW in English* 22 Aug 96 — *World Wide Web-based electronic version of CHUNGANG ILBO, carrying English-language summaries of articles, editorials, etc. appearing in vernacular version of hardcopy paper*

[FBIS Transcribed Text] A new type of computer virus known as "Hair" is spreading rapidly throughout the Internet. The virus only operates on August 22 and September 22. The new virus is a hitherto unknown type which is not even included in the 'Virus Calendar' recently distributed by An Chol-su Virus Research Institute in Korea. The virus spreads mainly through 'alt. cracks,' a news group on Internet hacking-related data as well as through 'alt.sex,' a collection of obscene information. Fortunately, the virus can be suppressed by An Chol-su virus vaccine program V3+562 version or the U.S.-made McAfee and Symantec vaccine programs. The V3+562 version can be downloaded free-of-charge from the An Chol-su Virus Research Institute data base after accessing PC communications service networks including Chollian and Hitel. The foreign programs are available at local electronic software shops or at the Internet addresses 'http://www.symantec.com' and 'http://www.mcafee.com'.

ROK: Seoul's Average Ozone Density 'Almost Twice That of 1989

SK2208015896 *(Internet) The Joong-Ang Ilbo WWW in English* 22 Aug 96 — *World Wide Web-based electronic version of CHUNGANG ILBO, carrying*

*English-language summaries of articles, editorials, etc.
appearing in vernacular version of hardcopy paper*

(FBIS Transcribed Text) The degree of ozone contamination during the spring and summer in Korea's large cities including Seoul, Pusan and Kwangju has increased sharply in the past several years. The average atmospheric ozone density in Seoul during the April-July period of this year stood at 0.02 PPM (parts per million), almost twice as high as that of the same period in 1989 (0.011 PPM), the Ministry of Environment said yesterday. Ozone density in Kwangju amounted to 0.017

PPM, 2.4 times higher than in 1989 (0.007 PPM). Pusan recorded an average of 0.022 PPM, 1.7 times higher than in 1989 (0.013 PPM). Taegu recorded 0.019 PPM, a figure slightly lower than the 0.022 PPM reported last year, but still higher than the number for 1989 (0.016 PPM). The atmospheric ozone density in Taejon improved greatly from 0.023 PPM in 1989 to 0.012 PPM in 1993, but it increased steadily during the 4 years since then, recording the nation's highest figure together with Kwangju with 0.022 PPM for this year.

Burma

Burma: Authorities Arrest 19 NLD Members, Sympathizers

BK2108145596 Rangoon TV Myanmar Network
in Burmese 1330 GMT 21 Aug 96

[FBIS Translated Text] The National League for Democracy [NLD] expatriate group led by Dr. Tint Swe [NLD elected representative from Pale Township Constituency-2, Sagaing Division] from the NLD expatriate group active and resident in India, have made contacts with some local NLD members and made arrangements to create disturbances using joint internal and external activities.

Furthermore, they have made plans to secretly recruit trainees to attend a political defiance training course to be held at the expatriates' camp; distributed propaganda leaflets undermining the government's constructive endeavors and the National Convention; and made plans to open a secret and illegal expatriate branch office in Monywa.

It has been learned that responsible authorities have taken legal action against 19 persons including NLD Members U Do Daung from Kale and Hkun Myint Tun from Thaton in connection with the incident. It has been further learned that the State Law and Order Restoration Council Information Committee will furnish details regarding the news.

Burma: Article Urges People To Drive Aung San Suu Kyi Away

BK2108123796 Rangoon MYANMAR ALIN
in Burmese 19 Aug 96 p 4

[Article by Pyitha; "The Yokkasoe That Couldn't Let the Female Myayngu Bird Rest on Its Tree"]

[FBIS Translated Excerpt] Ashin Zanakar Biwunta, the abbot of Mahagandayon Monastery in Amarapura has written much nationalistic literature. [passage omitted explaining content of one such chapter]

Although this literature was written about March 1960, more than three decades ago, it is still applicable. I feel if the reverend were still alive today he would be very exhilarated to see the leaders, although busy with affairs of state, engaging in activities for the propagation of the Buddhist faith.

As the abbot showed and taught us the way to practice true Buddhism, I have studied many Buddhist scriptures and I would like to share some excerpts from the Zai Nipattaw Thattakanipattiar- Kawhtatheinbali that are relevant with the present Peoples' Desire [State Law and Order Restoration Council, SLORC, slogan:

Oppose those relying on external elements, acting as stooges, holding negative views; oppose those trying to jeopardize stability of the State and the progress of the nation; oppose foreign nations interfering in internal affairs of the State; crush all internal and external destructive elements as the common enemy].

At one time while Lord Buddha was striving to attain Buddhahood, he became a Yokkasoe [guardian spirit of the tree] king on a huge Letpan [silk cotton] tree in a Letpan forest near an ocean. At that time the Galon king [a mythical bird] snatched a Naga [a mythical dragon] by its tail from the ocean and flew in the direction of the Letpan forest. The Naga, in an attempt to free itself in flight tried to wrap itself around a banyan tree. Since the Naga refused to let go of the tree and the strength of the Galon king was so immense, the banyan tree was uprooted and was pulled away, together with the Naga. The Galon king then settled on the Yokkasoe king's Letpan tree and devoured the Naga. He then flew out, threw the Naga's carcass into the ocean, and came to rest on the Letpan tree at the same time that a small female Myayngu bird [a small bird that eats banyan fruits] from the banyan tree settled on the Letpan tree's branch.

The Yokkasoe king was terribly shaken when the small female Myayngu bird settled on the branch. At seeing this, the Galon king inquired why the Yokkasoe king was afraid of the Myayngu bird and not the Galon king. The Yokkasoe king answered that since the Galon king is a predator, there is no problem for the Letpan tree. The Myayngu bird, which eats banyan fruit, however, could pass excrement of banyan seeds — and when the banyan tree, which has the ability to outgrow any tree, grows, it will swallow up the Letpan tree and I could lose my abode. The very thought made me tremble in fear. The Galon king praised the Yokkasoe king's foresight and remarked that preventing any forthcoming danger can bring peace now and in the future. Thus, on behalf of the Yokkasoe king, he drove the Myayngu bird away.

After reading this story, my thoughts fell into parallel with the Peoples' Desire. The female Myayngu bird [reference to Aung San Suu Kyi] who lived and ate the banyan fruits of neocolonialism for 28 years, has now come to roost upon our country. Everyone knows that the SLORC government — the Yokkasoe king — with its foresight, has proclaimed 12 national objectives [four political, four economic, and four social] and is striving to create a modern developed nation while safeguarding the livelihood of the national races. [passage omitted comparing SLORC to Yokkasoe king]

Just as the Yokkasoe king, who safeguards the Letpan tree, was not shaken by the Galon king, the government, too, is not shaken by the presence of a superpower in its neighborhood.

The banyan tree that will grow from the banyan seed contained in the excrement of the female Myayngu bird that ate banyan fruits, however, is capable of destroying any tree or building. The Yokkasoe king's fear is justifiable, because once a banyan tree started to grow, it is very difficult to destroy and many pagodas and stupas have been destroyed by banyan trees.

The Defense Services government — the Yokkasoe king — has made great sacrifices and has been reuniting the scattered national races that took up armed struggle against the State since the gaining of independence from the colonialists [the British] in 1948. When the Defense Services government, just like the Yokkasoe king, saw that the modern female Myayngu bird — the henchman of the West that had consumed the banyan fruits of neocolonialism — had come to rest and discharged her excrements, it felt terribly shaken for the sake of the country. [passage omitted on evils of British colonization]

The British drained the resources of Myanmar [Burma] to enrich England. Although they had to grant independence to Myanmar they kept the window of recolonization open. The modern female Myayngu bird had resided abroad and consumed the fruits of neocolonialism — the banyan fruits — for 28 years.

You don't need to seek assistance from the British on how to colonize Myanmar. You can ask those old people who still bear the scars of British colonization anytime. Now, the modern female Myayngu bird, who has submitted in mind and body to the English — and whose father the English helped assassinate — has returned and discharged her excrement, to swallow up Myanmar like the banyan tree. Thank goodness, the Defense Services Government — the Yokkasoe king — and the populace discovered the conspiracy in time.

The raindrops brought about by the Peoples' Desire have been able to wash away the female Myayngu bird's excrement. All Yokkasoes [the people] are hereby urged to quickly drive away the female Myayngu bird before it can discharge any more excrement.

Burma: Article Says Suu Kyi Insults Burmese History

BK2208100496 Rangoon THE NEW LIGHT OF MYANMAR in English 20 Aug 96 p 4

[Article by U Phy: "Beware of Those Who Insult Myanmar's Heredity and Traditions"]

[FBIS Transcribed Excerpt] A friend of my from province, who is in Yangon [Rangoon] for a medical treatment, told me everything about what he observed at the Saturday roadside talk show [Aung San Suu Kyi's weekend public forum in Rangoon].

When I asked whether he noticed anything significant he said there was none and added that she [Aung San Suu Kyi], with her limited knowledge gained through hearsay, acted like an expert and criticized everything with negative views by saying "it is not good, it is not suitable, it is not fair, and it should have [as published] taken place." It was the essence of the talk show, he said. Moreover, he said she insulted King Anawratha, a good and noble king respected by the people, with her limited knowledge. He said she made criticisms without studying the basics of Myanmar [Burmese] history and that her criticisms sounded like the imperialist historians' criticisms, and added that this reflected her poor taste.

When I asked how she — who holds negative views and does not even spare King Anawratha, a noble king — criticized King Anawratha my friend quoted a dutifully serving servant and wife of an Englishman, as saying disrespectfully: "If we look at history [we will see that] the kings loved to show off [by putting on nice clothes]. There is even a saying that all the king's pasoe [sarongs] are made of silk. The former kings enjoyed feasts and drinking and wanted to be popular. They never cared about the people. There are also mythical stories about Kyansitha and Anawratha."

When I heard this I interrupted my friend and said: "What! How come the mythical stories about Kyansitha and Anawratha? Regarding King Anawratha and King Kyansitha, there are strong historical evidences in the stone and palm-leaf inscriptions. I think she has only access to the mythical stories." Then my friend continued [quoting her as saying]: "There are mythical stories about Anawratha and Kyansitha. These mythical stories illustrated how these people became the so-called kings and heroes. The stories recognized Anawratha as a powerful king but it seems the king had no compassion for the people. Anawratha did not want Kyansitha to become a king so he tortured him. But the people showed their affection for Kyansitha." This is what my friend heard the way she, while acting like an

intelligent person, was insulting the noble Myanmar history with her philosophy — that was molded in her by the imperialist white face [English] — and her mediocre intelligence.

I was disheartened to hear Anawratha Minsaw or King Anuradha, 1044-1077 AD — who is regarded as a noble king and honored in our Myanmar history — was being insulted by an Oxford graduate [Aung San Suu Kyi], who is a dutiful servant and wife of an Englishman and who lacks Myanmar patriotic spirit. [passage omitted on King Anawratha's achievements] She insulted such a noble king in the public.

It seems that the desire to disrespect and insult Myanmar [Burma] and Myanmar people is always lurking in her mind. It is her karma that she lacks patriotism; she is unable to maintain her lineage, prestige, and traditions; and her blood is being mixed with a foreign blood. It is not surprising that she has fully adopted the Western philosophies and attitudes after staying away from the Myanmar culture and environment and living in the Western countries for nearly 30 years. [passage omitted on books on Burmese history that illustrate King Anawratha's achievements; and the national consolidation process, dam and reservoir construction projects, and purification of Buddhism being carried out by the State Law and Order Restoration Council, SLORC]

A dutiful servant and wife of an Englishman who holds negative views is not satisfied with her criticisms of the SLORC government that is carrying out the constructive works for the nation so she resorted to criticize Anawratha Minsaw, a good and noble king, who was also implementing the constructive works for the nation. [passage omitted on English historians who insulted Burmese]

There are now people who insult Myanmar heredity, traditions, and prestige. So beware!

Burma: Editorial Highlights Unpreventable Opportunities

BK2108140196 Rangoon MYANMAR ALIN in Burmese 21 Aug 96 p 8

[Editorial: "No One Can Prevent Opportunities for the Country And the People"]

[FBIS Translated Text] The government and people of the Union of Myanmar [Burma] have been striving to lay strong political, economic, and social foundations so as to implement the national objective of establishing a new, peaceful, modern, developed nation.

With the return to the legal fold of 16 armed organizations, the problem of insurgency — which emerged together with the gaining of independence — and the

causes of the lack of economic development have been solved.

Moreover, significant progress has been made far toward the emergence of a democratic constitution that will guarantee peace, stability, and development.

The 8.2 percent average economic growth over the four-year period has generated a better life for the population.

Simultaneously, relations with neighboring countries have improved, and the country's cultural heritage and national character have been preserved and safeguarded but also

Similarly, the transformation of the economic system to a market-oriented economy has created economic opportunities for local and foreign investment. As Myanmar's richness in natural resources, moniously combined with foreign investment, know-how, and investment, Myanmar and other countries in the region, will definitely

The time is ripe for developing economic opportunities and social progress in Myanmar. No country in the world will be able to prevent development if the proper foundations.

Friendly and neighboring countries, political, economic, and social cooperation and peaceful coexistence have been achieved. Understanding of Myanmar's traditions and culture is rendering support and

At present, it is evident that the view that one has a right to pursue its own situation best suited for one's own situation pursued its national objective and tranquility.

Similarly, due to the endeavor to develop the population, the effort to develop Myanmar has been even with obstruction from internal and external elements.

Burma: Rangoon Troops Seized
BK2208072096 Bangkok BAI in English 22 Aug 96 p 3

[Unattributed Report]

[FBIS Transcribed Text] Myanmar troops have started searching for indications the minority is to rise against the Junta.

Searches have concentrated on Ho Mong, which was Khun Sa's stronghold until he capitulated to the junta in January, a source in his former Mong Tai Army (MTA) said yesterday.

The operation began in August and among recent discoveries were 200kg of TNT and a large number of guns and ammunition in a house owned by Chao Sai Daed, a member of the Ho Mong Development Committee, who was not arrested.

Following 15 days of searches in August, the Rangoon forces found 1,000 M16 and AK47 assault rifles, M79 grenade launchers, assorted rounds and three surface-to-air missiles worth several million baht.

The source said the home of Khun Sa's son Chao Cham Huang had been targeted for a search until the chairman of the Development Committee told the troops a search would cause a rift between Rangoon and the MTA.

**Burma: Radio Reports 19 Insurgents Surrender
17-31 Jul**

*BK2108155596 Rangoon Radio Myanmar in Burmese
1330 GMT 21 Aug 96*

[FBIS Summary] The Radio carries a two-minute report on the surrender of insurgents between 17-31 July 1996.

The report says 11 members of a jungle-based armed Karen group and two members of the ABSDF [All Burma Students' Democratic Front] returned to the legal fold together with one mine, two M-16 automatic rifles, and one carbine in the Southeast Military Command Region.

The report also says one ABSDF member surrendered in the Northern Military Command Region; three ABSDF members surrendered in Northeast Military Command Region; and two members of the armed Karen group gave themselves up in the Southern Military Command Region, bringing in one AK-47 assault rifle, one magazine, 8 rounds of AK-47 ammunition, and one U.S. made hand grenade.

A total of 19 rebels returned to the legal fold between 17-31 July. The responsible personnel at the military camps warmly welcomed them and provided them with necessary assistance.

Brunei, Malaysia & Singapore

Malaysia

**Malaysia's Mahathir: 'No Reason To Fear' U.S.
Sanctions on Iran Deal**

*BK2208085396 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 22 Aug 96*

[FBIS Transcribed Text] Malaysia has no reason to fear any United States sanctions following its investment in the oil and gas industry in Iran because it is meant to help the people in that country.

Prime Minister Datuk Sri Dr. Mahathir Mohamed said investment through the national petroleum company, PETRONAS, was not to support the government there or assist it in any way.

He told reporters this when asked to comment on PETRONAS' decision to take up a 30-percent stake in Iran's series A and B fields to its subsidiary in a deal approved by Iranian authorities.

Dr. Mahathir said the U.S. did not try to dissuade Malaysia from making the deal.

The announcement came two weeks after U.S. President Bill Clinton signed a bill aimed at punishing foreign firms that invest \$40 million or more annually in Iran's or Libya's energy sector.

**Malaysia: Defense Minister Meets With Philippine
Military Chief**

*BK2208090596 Kuala Lumpur RTM Television
Network 3 in Malay 0530 GMT 22 Aug 96*

[FBIS Translated Text] The close cooperation between the Malaysian Armed Forces and its Philippine counterpart will be further expanded to cope with several issues that affect common interests. Defense Minister Datuk Syed Hamid Albar said bilateral cooperation and frank talks will help suppress pirate activities in Sabah.

The defense minister received a courtesy call from the chief of the Philippine Armed Forces, General Arturo T. Enrile, at his office this morning. The two leaders stressed the importance of information exchange between the two countries so as to improve regional understanding and security. Close bilateral ties will also facilitate talks between the two countries' other agencies, such as police and customs. The two leaders also discussed cooperation on defense industries and joint exercises.

Gen. Enrile is on a farewell visit to Malaysia before his retirement. An honorary military award from Paramount Ruler Tuanku Jaafar has been conferred on him.

Malaysia: Argentine President Arrives for Five-Day Visit

BK2208071496 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 22 Aug 96

[FBIS Translated Text] Argentine President Carlos Menem and his entourage arrived in Kuala Lumpur this morning for a five-day visit. Upon their arrival, they were welcomed by Foreign Minister Datuk Abdullah Ahmad Badawi and Rural Development Minister Datuk Annur Musa, who will be minister-in-attendance.

President Menem is accompanied by Argentine Foreign Minister Guido Di Tella and a 110-member delegation. The two governments are expected to sign several memoranda of understanding to boost trade ties. President Menem will also visit Klang Port on Saturday. An official welcoming ceremony will be held at the Parliament's Square this afternoon. The Argentine delegation will end their visit to Malaysia on Monday and proceed their journey to Indonesia.

Malaysia: Badawi, India's Gujral Hold Discussions

BK2108135896 Kuala Lumpur NEW STRAITS TIMES in English 20 Aug 96 p 6

[Unattributed report]

[FBIS Transcribed Excerpt] Kuala Lumpur, Mon — India has asked Malaysia to consider allowing one of its banks to operate here.

Indian Foreign Minister Inder Kumar Gujral made the request when he met Deputy Prime Minister and Finance Minister Datuk Sri Anwar Ibrahim at the latter's office today.

He also requested that Malaysia look into the problems of bona fide Indian businessmen and tourists entering Malaysia because they faced some difficulty in obtaining visas.

Foreign Ministry Undersecretary for East and South Asia Tengku Datuk Nazihah Tengku Mohamed Rus, when briefing the Press after the meeting said the name of the Indian bank was not mentioned but added that it would be a Government-sponsored bank. [passage omitted on trade agreement expected to be signed in New Delhi]

At a meeting with Foreign Minister Datuk Abdullah Ahmad Badawi later, Gujral indicated that his Government would look into Malaysia Airlines' request to have more flights to India.

Abdullah said he informed Gujral that issuing visas to Indian nationals would not be a problem so long as they were genuine travellers.

Asked if they discussed the Comprehensive Test Ban Treaty [CTBT], the proposed global pact to ban nuclear testing, Abdullah said he explained Malaysia's view that there should be a nuclear-free world.

He said Gujral explained to him India's stand "and we understand each other's position but the final objective is to see a nuclear-free world".

India has opposed the CTBT now being negotiated in Geneva. New Delhi says the draft treaty does not commit the nuclear powers to disarmament within a specified time frame.

Information Minister Datuk Mohamed Rahmat, who called on Gujral at his suite at the Renaissance Hotel, said the new Indian Government would follow up on the agreement between Binariang Sdn Bhd's [Private Limited] Malaysia East Asia Satellite and India's national television station Doordashan on the establishment of a satellite television in India.

Malaysia: Daily Warns Against Discrimination in World Trade

BK2108145096 Kuala Lumpur NEW STRAITS TIMES in English 20 Aug 96 p 12

[Editorial: "No Waver in Trade Commitment"]

[FBIS Transcribed Text] Multilateralism has been trumpeted with such fanfare in the global trading place that world market players must indeed be duty-bound to ensure that clear and equitable rules persist to ensure such a trading system is not in danger of being eroded. This is enshrined in the spirit of the World Trade Organisation [WTO] which, among other things, is entrusted with the responsibility of ensuring members are committed to globalisation and trade liberalisation. In this respect, freedom of trade and the principle of non-discrimination should be upheld.

While the WTO may still be in its infancy in a manner of speaking, it has to ensure there are multi-disciplinary rules which apply to everybody, that members have to avoid unilateral action like the plague and that every member has its rights and obligations. There should be no flagrant disregard for these. Yet, the fine balance on the trapeze is not in place.

The fear of major powers attempting to link trade with contentious non-trade issues to stunt the economic growth of Asian nations is rearing its ugly head again; this time round, it is expected to be played out at the WTO ministerial conference to be held in Singapore in December. The flourishing economies in Asia, in particular East Asia, are expected to dominate the world's economic landscape with their spectacular growth in the

first half of the next millennium. And it is also a fact that such growth will be an unalloyed blessing for world markets which stand to harness the dynamics of the harvest.

ASEAN has made it crystal clear it is committed to trade liberalisation and that it unreservedly supports genuine efforts to strengthen the multilateral trading system based on clear and equitable rules. It is not about to bow to any pressure to accept the rules and regulations which have nothing to do with trade. There are, after all, proper channels to voice non-trade issues. Surely, member countries have not forgotten that the WTO was set up with trade matters in mind, and that they must not waver in their commitment to trade liberalisation?

Globalisation on the whole is desirable but not all countries are in a position to cope with it, especially the less developed ones, so some consideration should be given to them to help them face the new world order. It would be prudent for the WTO to move in a manner and pace that will facilitate such integration, and recognize the constraints and challenges that developing countries face. And it will be to the WTO's credit if this maiden ministerial conference pivots on the implementation of the Marrakech Declaration for more productive talks.

The harmony and goodwill that eventually prevailed during those tough-talking days do not overshadow the tortuous negotiations and intensive horse-bargaining that heard louder dialogue among developed nations and the Asian voice toned down to a mere whisper. Has anyone forgotten too the near-collapse or inconclusive outcome of negotiations in the services sector including the financial, telecommunications and maritime transport talks which reflected a weakening in major players' commitment to the multilateral trading system? The WTO conference has been billed as the meet of the year. Multifarious issues will be played out on this stage but the brainstorming should be results-orientated so as not to derail the credibility and effectiveness of the multilateral trading system.

Malaysia: Daily Views Possibility of Partnership With Singapore

BK2108133696 Kuala Lumpur BERITA HARIAN
in Malay 21 Aug 96

[Editorial: "Singapore: It's Up to Kuala Lumpur" — received via Internet]

[FBIS Translated Text] Whether or not Singapore will be allowed to rejoin Malaysia after being separated in 1965 will be absolutely up to Malaysia to decide. Malaysia can accept or reject such a request from the Republic for historical, economic, and political reasons and owing to such factors as education and human

resources. Singapore will have no bargaining power if it truly wants to rejoin Malaysia.

Serious attention must be paid to race, which was stressed by Prime Minister Datuk Sri Dr. Mahathir Mohamed. In our opinion, Singapore should recognize the way Malaysia deals with the racial issue, because the policy has succeeded in uniting the Malaysian people.

We are very interested in the fact that Singapore Prime Minister Goh Chok Tong remarked that Singapore could be forced to rejoin Malaysia if the country's economy plunged. This clearly shows that the Singaporeans realize that they will reach a complicated stage. The remarks show that the possibility of Singapore's rejoining Malaysia, which was the personal view of Senior Minister Lee Kuan Yew, has been on Goh's agenda. Perhaps Lee had been more far-sighted about Singapore's future because he realized that the country would one day be unable to maintain its present progress. Various possible new situations will change the way Singaporeans live and put pressure on the government.

We admit that Singapore has succeeded in putting itself at a pinnacle in terms of economic growth over the past 31 years. Due to the limited resources, Singapore has amalgamated its manpower — considered to be the main asset — to develop its economy. We deem that the island republic has done very well in the economic area. However, all this progress changes the people's perception. They continue to have high tastes in life, and aspire to move up further, without any limits.

Singapore depends on its modern port, considered to be the most popular in this region, for its economic growth. Nevertheless, the operation at the port of Singapore that is that country's main center for economic activities, has reached the maximum level. To date, there is no more new space to provide for increasing demand. The government will be forced to carry out land reclamation projects while the technology is certainly limited. Perhaps, Singapore will soon run out of space for its economic activities. These factors will falter the country's economic competitiveness. Nowadays, Singapore depends only on foreign tourist arrivals. Not many Malaysians do their shopping in the island republic because of the high exchange rate of the currency. If the global economic situation becomes uncertain, Singapore will face a serious economic problem. By then, tourism will no longer be an important industry.

There are indications that Singaporeans have begun to seek their fortune outside the Republic. This happens because they cannot expand their potentials or business opportunities any more. Even if they have a lot of money, they cannot buy properties due to the shortage of land and so on. The shortage has also made the

value of properties soar. Even though most of the people are considered rich, they nevertheless have limited access to certain facilities and needs. For example, they have to pay a high price for a car. All this is done to control traffic congestion, whereas on the other side of the Johor Causeway they find, comparatively, considerably lower prices of cars, used by Malaysians. We believe that what is worrying the island republic is its ASEAN neighbors' ability to spread their economic wings individually. These countries have vast areas for continuous expansion and large potentials to attract investors, particularly in the fields of industry and high technology. If Singapore is not allowed to enter into partnership with any of its neighbors, it has a lot of limitations.

In our opinion, if there is a possibility for Singapore to rejoin Malaysia, we must ensure that Malaysia has the dominant voice over the return, and the merger should be on Kuala Lumpur's terms.

Singapore

Singapore: Official Envisages Stronger Ties With India

BK2208080396 Singapore THE STRAITS TIMES
in English 21 Aug 96 p 2

[Report by Ravi Velloor]

[FBIS Transcribed Text] Ties between Singapore and India will be strengthened following the new government's decision to stay the course on economic reform, said Foreign Minister Shunmugam Jayakumar yesterday.

Speaking to reporters together with Indian External Affairs Minister I.K. Gujral, who had called on him, Professor Jayakumar noted a significant boost in bilateral trade, which last year rose to S\$4 billion.

"We felt that with India staying on course on its economic reforms, this could augur well for both countries," he said.

"Singapore is the coordinator for ASEAN-India relations. For the next four years we will be in charge of thrashing out the substance of ASEAN-Indian ties. I am sure I have Mr. Gujral's full support in making this relationship significant," Prof. Jayakumar added.

Mr. Gujral, on his first official trip to the Republic [of Singapore] since taking office in India's new government headed by Prime Minister H.D. Deve Gowda, arrived here from Kuala Lumpur earlier yesterday.

His visit began with a call on Prime Minister Goh Chok Tong at the Istana where he gave Mr. Goh a personal letter from Mr. Deve Gowda. He called on

Brigadier General (NS [National Service]) Lee Hsien Loong, deputy prime minister, in the afternoon.

Mr. Gujral is accompanied by senior officials of his ministry. Last month, he attended the ASEAN post-ministerial meetings in Jakarta where India was upgraded to a full dialogue partner of the grouping and included in the ASEAN Regional Forum.

Prof. Jayakumar said Mr. Gujral's visit was significant to Singapore because he had extended the invitation to him only last month in Jakarta.

"The fact he could take up the invitation so soon speaks very well for bilateral relations."

Mr. Gujral said his discussions with Mr. Goh and Prof. Jayakumar included international issues of mutual concern and a review of various Singaporean projects in India like the Bangalore IT park and airport project and an industrial park in Haryana.

"I find myself in the very comfortable position that we are thinking on the same lines," he added.

At a separate briefing, Mr. Gujral said that with India's inclusion in ARF, "the time has come for shared concepts of security" between India and the ASEAN. He said his trip was meant to personally thank Singapore's leadership for supporting India's application for an upgraded status within ASEAN and for membership of the ARF.

"I conveyed this in Jakarta also but I thought that was not enough and I must come personally. I also conveyed that though the government has changed, our economic policy has not. And a bigger dimension of that policy is going outside and building relations with very close neighbors such as Singapore.

Singapore: MAS Says Concerns Over Economic Slowdown Overstated

BK2208063896 Singapore THE STRAITS TIMES
in English 22 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Concerns over a severe economic slowdown here are overstated, but Singapore's economic growth rates are likely to become more volatile in the short run, the Monetary Authority of Singapore (MAS) said yesterday.

While predicting a much slower growth rate of 7-8 percent for non-oil domestic exports this year — down from 14 percent last year — MAS said concerns about a severe economic downturn here triggered by a collapse in the US electronics demand were exaggerated for several reasons:

— US new orders for electronics products had picked up slightly in recent months, suggesting that the industry should bottom out by early next year.

— The current slowdown appeared to be related mainly to overstocking of electronics components, chiefly semiconductors and disk drives. Yet the inventory-to-shipments ratio for personal computers (PCs) remained low and US sales of PCs firm.

— The inventory-to-shipments ratio measures the proportion of stocks that a company keeps in relation to the amount of goods it ships out. If the ratio is greater than one, it means that the company is keeping more in its warehouses than selling to customers.

From a longer-term perspective, the markets for Singapore's electronics exports had become more diversified.

The share of the US market, for instance, fell to 35 percent, from 40 percent in 1992, while Japan's doubled over the past three years to 10 percent. Singapore's electronics exports to ASEAN countries had also risen in recent years.

Releasing its latest annual report, an official from the Republic's de facto central bank said its whole-year forecast for non-oil domestic exports had taken into account the developments in recent months, including the June and July trade figures.

Non-oil domestic exports dipped 6.1 percent, year-on-year, in June, but rebounded with a 6.4 percent rise last month.

"We can't rule out further months of low growth in non-oil domestic exports ... The third quarter figure is not quite likely to be negative, but we're looking at a fairly weak third quarter," he said.

The report noted that the bulk of export growth here would continue to come from the electronics industry, as non-electronics manufacturing would be constrained by intense competition from the Asia-Pacific region.

The MAS official noted that because of technological change, the electronics industry was likely to have higher growth rates but with a lot of volatility.

"That's the price we pay for latching on to a high-growth industry," he said.

Electronics exports accounted for about two-thirds of Singapore's non-oil domestic exports, while electronics output contributed about 12 percent to the country's Gross Domestic Product (GDP).

Given the 8.8 per cent rise in non-oil domestic exports recorded in the first half of this year, a whole-year growth rate of 7-8 percent means that the growth rate in the July-December period will be 5.5-7.3 percent.

The annual MAS report provides a comprehensive review of the developments in the economy last year, including those in the financial markets. It also looks at long-term economic trends such as the savings and investment patterns.

Responding to a question at the media briefing yesterday, the official said the current economic slowdown was more similar to that in 1982 than the one in 1985.

He noted that in the 1985 recession, the cyclical downturn in the electronics industry was much more severe than the current downturn.

Moreover, the construction sector practically collapsed then — with the completion of the massive Housing Board and Mass Rapid Transit building programs. Regional economies were also hard-hit by the plunge in commodity prices.

The MAS also expected productivity growth to dip to 2-3 percent this year from last year's 3.7 percent, while unit labor costs are expected to rise by 3-4 percent, compared to 2.7 percent last year.

It added that the Singapore economy would be "increasingly susceptible to periodic bouts of overheating in the labor market, just like many of the mature industrial countries". Hence, in conducting exchange rate policy, the MAS would "remain vigilant against a resurgence of inflationary pressures".

MAS' forecast for the GDP growth rate this year is 7-8 percent, same as that of the Ministry of Trade and Industry.

Singapore: Official Launches 'New Downtown' in Marina South

BK2208074296 Singapore THE STRAITS TIMES in English 21 Aug 96 p 1

[Report by Colin Tan]

[FBIS Transcribed Text] The large tract of reclaimed land in Marina South will be developed into Singapore's new downtown, an integrated, pedestrian-friendly city of the next millennium.

Marina South will extend the existing 266 ha Central Business District (CBD) by about 360 ha and will increase the stock of prime office space by 2.6 million sq m.

About 26,000 residential apartments have been incorporated into the extended CBD to keep it bustling after working hours. The present CBD has only 2,000 homes and room for another 1,000.

Minister of National Development Lim Hng Kiang yesterday unveiled the long-term plan to develop the

new city center as an integrated working, living and recreational area.

Residents can choose to live along the waterfront, in the heart of the city, or next to parks, while enjoying all the city's attractions and modern conveniences at their doorstep.

Mr. Lim said the existing downtown was almost fully developed and the time was ripe to start the southward expansion. "What we will do is create a new downtown and be able to continue to attract business investments," he said.

The expansion will be carried out in three phases over a period of between 20 and 40 years. The first phase will see a seamless extension from Raffles Place to Marina South along the commercial spine.

This will be followed by developments along the Bayfront. Mr. Lim said this strategy would capitalize on the opportunity to develop all the sites around the bay area as quickly as possible.

In the third phase, the area parallel to Shenton Way will be developed he said. He was speaking at the launch of the Urban Redevelopment Authority's exhibition for the new downtown yesterday.

When ready, the new downtown will serve as an international business hub, complete with transport, leisure and entertainment amenities and have a distinctive garden city image with tree-lined boulevards and waterfront promenades.

Pedestrian and vehicle traffic will be separated on different levels and there will be little need to cross roads.

Fringe carparks will help reduce the number of cars entering the CBD and people will be encouraged to move around on foot in comfort.

Buildings will be linked by air-conditioned moving walkways or travellers similar to those at the airport.

In addition, pedestrians will be protected from the weather by covered walkways, high-level links, boulevards and underground malls.

An efficient transportation network will be integrated with the surrounding developments through underground connectors and an extensive second story traveller system.

Besides the existing Marina Bay MRT (Mass Rapid Transit) station, two additional MRT stations and a light-rail network are being studied and will be added in tandem with the growth of the new downtown.

A new coastal expressway will replace East Coast Parkway (ECP) to help through traffic bypass the City streets.

The new expressway will be able to cope with the projected increase in the volume of East-West traffic when the population hits four million.

The existing ECP will be straightened into a major arterial road which will still carry traffic from the east coast directly into the CBD.

Speaking to the media after the launch, Mr. Lim said: "If we want Singapore to be anchored as the third largest financial center, you need prime office space because the big boys, when they come, they want a good address."

"At the same time we want to offer them more cost effective space for backroom operations, that is why we created financial park in Tampines."

"As we are approaching the next millennium, very few cities have the opportunity to build a new city for the next century. We are very fortunate to have reclaimed Marina South."

Cambodia

Cambodia: Paper Says Exiled Prince To Return, Set Up Party

BK2208071296 Phnom Penh MONEAKSEKA KHMER in Cambodian 16-17 Aug 96 pp 1, 2

[Report by Rachani]

[FBIS Translated Text] According to a reliable source, Prince Kromkhun Norodom Sirivut, former deputy prime minister, minister of foreign affairs and international cooperation, secretary-general of FUNCINPEC (National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia), and people's representative from Kompong Cham constituency, who was exiled to France, accused without evidence of attempting to kill Second Prime Minister Hun Sen, said that he will return to Cambodia on April 15 1997.

The same source also disclosed that Prince Kromkhun Norodom Sirivut has decided to set up a political party to take part in the 1998 general election. Prince Kromkhun Norodom Sirivut has also affirmed that he is ready to return to Cambodia. He is not afraid of anything despite the threat that he would be imprisoned if he returned. He is willing to be punished in accordance with the law if found really guilty.

Prince Kromkhun Norodom Sirivut also affirmed that his party's principle is absolute opposition to foreign aggression, elimination of corruption, and discarding

dictatorial regime, legacy of the regime propped up by Vietnam's aggression; particularly genuine respect for human rights and for multiparty liberal democracy.

However, the source does not say who among politicians and personalities would join this new political movement led by Prince Kromkhun Norodom Sirivut.

Cambodia: Co-Defense Minister Tie Banh Supports Ieng Sary

BK2208063696 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 22 Aug 96 pp 1, 2

[Report by Peyatro]

[FBIS Summary] In this 450-word report the author says "Co- Defense Minister Tie Banh told diplomats on the afternoon of 20 August that remnants of Khmer Rouge troops in Samlot, Bos Dong, and Ta Sanh have regrouped and are prepared to attack breakaway troops in Pailin; however, some of these troops protested and refused to obey orders from Ta Mok and Son Sen."

The report also says that "The defection of Khmer Rouge troops loyal to Ieng Sary started with Division 450 led by commander Sok Pheap in charge of Malai and Division 415 led by I Chhien in Pailin- Sala Krau area. This was followed by uprising in Front 250 which includes Divisions 320, 171, 705, and 948. Even Divisions 519 and 36 in south Sisophon rallied themselves to the breakaway troops, thus increasing the strength of the breakaway force to 5,900 along with a total of 41,400 of other people. Apart from this, there are 22 tanks belonging to the defectors. These are the figures by 16 August."

The report also says that "His Excellency Tie Banh expressed full support for Ieng Sary and troops loyal to him. He affirmed his stance saying that we should realize what is important. Ieng Sary was a complicated leader in the past. However, anyone who has prevented the death of people is considered as having done a good deed; Ieng Sary is such a person. Although he has been sentenced to death like Pol Pot and if we still do not accept him, Ieng Sary will continue to lead troops loyal to him to carry on fighting until the end. Therefore, a way out should be left to him as this does not cost lives and national budget and resources."

Cambodia: Khmer Rouge Defectors Ask Position in Government

BK2208052696 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 22 Aug 96 pp 1, 11

[Report by Sophoan]

[FBIS Translated Text] The meeting between high-ranking Cambodian military officials with breakaway

Khmer Rouge leaders was held as planned on 19 August but the venue of the meeting was moved from Phnum Malai to a place between Pailin and the Thai border. Agreement was reached on a number of points, in particular the linking of zones with respect for government law. A high-ranking Cambodian military official said that Nuon Chea, Ta Mok, and Son Sen are gathering Khmer Rouge troops who have not yet defected to form a new division, Division 909, in preparation to attack Pailin.

REAKSMEI KAMPUCHEA correspondent in Poipet reports that at the meeting, on the government side were Nhoek Bunchhai and Pol Saroeun, both deputy chiefs of staff of the Khmer Royal Armed Forces; and on the side of the breakaway Khmer Rouge were Ieng Savut, Ieng Sary's son; I Chhien, commander of Division 415; and Sok Pheap, commander of Division 450. The role of Ieng Savut is not known; however, it is believed that he was his father's personal representative.

Nhoek Bunchhai told reporters on 20 August that four issues were raised for discussion and the atmosphere of the talks was good. One issue has not yet been resolved, namely that of Ieng Sary's future and the "government's policy toward Ieng Sary." Nhoek Bunchhai said that on this matter "I have to ask the government."

Samdech Hun Sen, second prime minister, recently said that for solving the problem relating to the lives of tens of thousands of defectors, "as prime minister, the samdech pledged to guarantee the security and the life of Ieng Sary" for leading defectors to return to the fold. However, giving a position in the government to Ieng Sary "cannot be done as it is against the Constitution;" Ieng Sary himself does not want this as he is getting very old.

Prince Krompreah Norodom Ranariddh told reporters on 17 August that he met for over an hour with Samdech Hun Sen and agreed that everything should be done in accordance with the Kingdom of Cambodia's Constitution.

The other three points that were agreed upon at the meeting by the participants were: a cease-fire and a linkup of frontline troops; ensuring better security on access roads from Pailin-Malai to Thailand and from other northern bases of the defectors; and establishment of a working committee to continue the talks. It was also disclosed that further talks will be held soon.

Source of a reliable Thai correspondent, who reported a telephone conversation with Sok Pheap on 20 August, affirmed that Sok Pheap said this: "If we join the government by laying down weapons and surrendering, this cannot be done; however, it is possible if a position

is granted. However, there should be a meeting and clear discussion on this with UN officials as witnesses on this agreement."

Pol Saroeun, who also took part in the meeting, made this observation to reporters: Two good results coming out of this meeting are the agreement to national union and to link up zones with respect for government laws.

In another event, Kev Pong, former commander of Division 18 who joined the government and accepted the position of deputy commander of the 3d Military Region, told reporters that Nuon Chea, Ta Mok, and Son Sen have gathered Khmer Rouge troops in Nam Ta area on the border of Pursat Province and Thailand. This division thus formed is Division 909 which has been ordered to make preparations to attack and control Pailin; the town is currently under the control of the defectors. This division could be 700 or 800-men strong.

However, Kev Pong affirmed that among these troops, a large number does not obey the order which requires that these Khmer Rouge leaders close the border and exert pressure.

Cambodia: Former Khmer Rouge Troops Visit Poipet Border Town

BK2208065796 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 22 Aug 96 pp 1, 2

[Report by Miss Thmar Da]

[FBIS Summary] In this 300-word report the author says that "over the past seven days many Khmer Rouge soldiers were taken by road from Malai base to Poipet town for an excursion and shopping."

The report adds that "although breakaway Khmer Rouge soldiers were not allowed to talk to reporters, they were happy to have their pictures taken and gave their names." The report says that "to travel to Poipet town the Khmer Rouge defectors have to go through a government's battalion base which used to be a major frontline battlefield. Next they have to cross a buffer zone manned by a government battalion where they have to leave their weapons before traveling on by car to Poipet."

Cambodia: Chinese Residents Buy Guns To Protect Themselves

BK2208065596 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 22 Aug 96 pp 1, 11

[Report by B. Seila]

[FBIS Summary] The author of this 220-word report says that according to a source in Kompong Speu Province, whose identity REAKSMEI KAMPUCHEA

does not reveal, "Chinese in Thlok Ta Sek camp have now asked Cambodians working with them and who are close to them to try to buy guns from the population to protect their locality."

According to this source "the weapons that are being sought in the southern part of Kompong Speu Province are AK-rifles. Some of these weapons have already been bought but not yet been taken into Thlok Ta Sek area. The source does not know about the number of weapons to be purchased but has affirmed that some have already been acquired."

The report cites another source as saying that "many soldiers in the development zone have been dispatched to protect Thlok Ta Sek area in early August following reports that the Khmer Rouge have threatened each Chinese there to pay them pay \$2,000 a month." The report adds that "despite the presence of soldiers, it has been reported that belongings of these Chinese still disappear. This has compelled these Chinese to acquire weapons to protect themselves."

Indonesia

Indonesia: Judges Propose Out-of-Court Deal for Megawati's Suit

BK2208105196 Jakarta SUARA PEMBARUAN
in Indonesian 22 Aug 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, 22 Aug — A panel of judges of the Central Jakarta District Court on Thursday morning (22 August) urged Megawati Sukarnoputri, chairwoman of the Indonesian Democratic Party (PDI) Central Executive Council elected at the 1993 National Consultative Meeting, and the persons she is filing a suit against to pursue an out-of-court deal.

The offer by the judges panel is a standing procedure in civil suits. The trial, which has attracted public attention, will resume on 29 August. The judges had earlier offered to resume the trial on 5 September. The plaintiff and the defendants will report the results of their negotiations to the upcoming session.

If the two sides manage to reach an agreement, the judges will confirm the points of the agreement as binding. If no agreement is reached, the judges will continue with the trial on the basis of the plaintiff's suit.

After about four minutes of negotiations, the attorneys of the first defendant (Fatimah Akhmad and other PDI members of the Group of 16 who engineered the Medan congress in June), the second defendant (organizers of

the Medan congress), and the third defendant (Suryadi and Buttu Hutapea, who were respectively elected as general chairman and secretary general of the PDI Central Executive Council during the Medan congress) accepted the offer. Nevertheless, their attorneys asked for more detailed information on the form of the proposed deal.

The fourth defendant [the home affairs minister] accepted the proposed deal and hoped that the suit would be dropped. Like the fourth defendant, the fifth and sixth defendants [the armed forces commander and the police chief respectively] accepted the proposed deal but asked the plaintiff for detailed information about it. [passage omitted]

Philippines

Philippines: Navy 'Set To Activate' SEAL's for APEC Summit

BK2208053796 Manila BUSINESS WORLD
in English 22 Aug 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Philippine Navy is set to activate next week a Navy Sea Air and Land (SEAL) team to protect 18 heads of state attending the Asia Pacific Economic Cooperation (APEC) Summit in Subic in November. Navy spokesman Lt. Commander Salvador Cuba yesterday said the SEAL team was activated to counter possible terrorist threats during the APEC meet.

The newly activated team is to act as a reserve and rapid deployment force to be deployed against terrorists plotting against APEC delegates. "This will be different from the close-in security of the heads of state. They will be at the background as a reserve unit and will only be called upon during times of emergencies," he said.

The members of the 50-man SEAL team were trained in hostage rescue operations, close quarter battle and anti-seajacking operations by their United States counterparts. Only recently, team members participated in joint RP [Republic of the Philippines] — US military exercises under the US-Philippines Mutual Defense Treaty. The SEAL team is to be reactivated Tuesday next week during the 36th Philippine Fleet Foundation Anniversary.

Philippines: Senate Ratifies Chemical Weapons Convention

BK2208071896 Manila PNA in English
0332 GMT 22 Aug 96

[Received via Internet]

[FBIS Transcribed Text] Manila, Aug. 20 (PNA) — The Senate has ratified the Chemical Weapons Convention (CWC) which is believed to be the most comprehensive, global, and verifiable ban on the use of weapons of mass destruction.

Senate Resolution No. 459, which concurs in the ratification of the United Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons and their Destruction, was unanimously approved.

Senator Orlando Mercado, author of the resolution expressing the Senate's ratification of the CWC, said "out of the 160 nations that have signed the convention, 53 have already ratified the convention."

He said only 12 more nations need to ratify the convention to comply with the 64-nation requirement in enforcing the CWC.

CWC, once enforced, shall require the destruction of all existing chemical weapons and the facilities producing them in countries that have signed the convention.

Also, signatories shall be given 10 years to implement the comprehensive ban and effect the destruction of chemical weapons and their facilities.

Mercado stressed that the proliferation of chemical weapons poses not only global but even national security risks.

He said the lessons taught with the terrorists' bombing in July 1993 of the World Trade Center in New York City and last year's nerve gas attack on a subway in Tokyo should remind countries all over the world of the importance of the ban on chemical weapons.

Mercado expressed confidence that once the convention is enforced, North Korea and Libya may find it difficult to acquire chemical weapons even if they are not signatories to the CWC.

Thailand

Thailand Warned: Troops Ordered by Rangoon To Shoot Illegal Loggers

BK2208053896 Bangkok THAILAND TIMES
in English 22 Aug 96 p A2

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — Burma has deployed over 1,000 of its troops along Tak province's border to monitor illegal logging in the area, warning that they would not hesitate to shoot loggers who would attempt to escape while under arrest.

Burmese soldiers with around 300 porters were reported positioning troops opposite the Thai province, before heading towards Myawaddy to begin operations to suppress illegal logging in Burmese territory, military officials at Mae Sot said.

Lt. Col. Kyaw Hlai, the chairman of the Thai-Burmese committee, warned Thais that the Burmese government would carry out its policy to suppress illegal logging, saying it would take serious action against those who violate the laws, no matter what nationality they are.

Kyaw also asked Thai officials to relay the message to the Thai people, saying that the troops could immediately shoot down those who would attempt to escape when found guilty.

He also said Burmese soldiers have the right to shoot criminals who illegally enter its territory to unlawfully cut down trees.

A Thai official said nine Thais were arrested on Sunday by Burmese soldiers over charges of illegal logging.

The Burmese government has since released them, but said this would be the last time that it would be the last time that it would relent on this new policy.

Thailand: Daily Urges Phnom Penh To Use Ieng Sary To Gain Peace

BK2208060896 Bangkok BANGKOK POST
in English 22 Aug 96 p 10

[Editorial: "Khmer Rouge Eat Their Own Entrails"]

[FBIS Transcribed Text] It is fascinating to watch the latest Khmer Rouge attempt to destroy itself by bitter, brutal internal squabbling. But the exile of Ieng Sary by the Pol Pot leadership also raises serious questions. Phnom Penh must help the Khmer Rouge commit suicide, but cannot be overly kind to war criminals.

Cambodia's Khmer Rouge has been a fractious, quarrelsome group since its formation. The Cambodian Communist Party itself has always been negative, and seldom has had a positive goal. It was formed in 1960 to op-

pose another long-standing communist group seen to be under Vietnamese control. It opposed the monarchy. It was against industry, against education, against anyone who was not a Khmer. It is against money, medicine, religion. And whenever possible for the past 36 years, the Khmer Rouge has demonstrated its policies by killing, by controlling people through fear, and by destruction.

In particular, there has been the killing. Since 1975, a horrified world has watched massacres by the Khmer Rouge which seldom have been matched in history. Within the Khmer Rouge, violence and death have been as frequent and as terrible as the slaughters among the Cambodian population. In the early 1970s, Khmer Rouge leaders felt some of their newly recruited cadre from Vietnam were traitorous. So they killed them all. In the mid-1970s, the Khmer Rouge — then the government — invited overseas Khmers to return home after the war. And they killed them all.

Through the killings, the purges, the internal violence, there has been one dependable fact. The leadership of the group has continued to be the small group which formed the Khmer Rouge in Phnom Penh in 1960. In particular: Pol Pot, Ieng Sary and their wives, who are sisters; Khieu Samphan, Son Sen. These French-educated men and women have made up the Khmer Rouge since 1960 and the group has remained unchanged — until now.

For the first time, the Khmer Rouge has let loose its paranoia on one of the internal group. The target is Ieng Sary — henchman, Brother Number Two to Pol Pot, convicted murderer and war criminal. He is, according to the inner Khmer Rouge circle, also a thief. It seems Ieng Sary embezzled some of the group's money from its timber and gem deals.

It is tempting to laugh at the black comedy. The irony of mass murderers and cold-blooded killers falling out over a simple theft is irony without subtlety. But there are important issues at stake. For one thing, Ieng Sary controls hundreds of Khmer Rouge soldiers. They in turn control land and, in turn, people. The Cambodian government must make stark, difficult choices. They include whether to cut an amnesty deal for one of the worst murderers of history. If Phnom Penh decides against this, it could risk two Khmer Rouges instead of one.

In the end, Cambodians must decide between two unpalatable choices. But they should know that few of their friends outside the country will understand or accept a full pardon for Ieng Sary.

The politically powerful second prime minister, Hun Sen, favours what amounts to a full acquittal for Ieng

Sary. Not only would Ieng Sary be pardoned for past crimes, but Cambodia would help him set up a political party and aid him to live in a manner far more luxurious than most survivors of the Khmer Rouge rule can ever hope to achieve.

The spirit of forgiveness is admirable, but sometimes misplaced. The case of Ieng Sary is complicated, to be certain. There is no service Ieng Sary can render to Cambodia which can make up for his past crimes. Phnom Penh may have to deal with Brother Number Two, but it must not be seen to allow him favours or advantages. The Cambodian government should use Ieng Sary to try to gain a more peaceful country. It must not allow Cambodia to be used by Ieng Sary.

Thailand: Bangkok Abides by IMF's New Economic Report System

BK2208080496 Bangkok BANGKOK POST (BUSINESS Supplement) in English 22 Aug 96 p 2

[Report by Sonrut Bunyamani]

[FBIS Transcribed Text] Thailand is one of the first in Southeast Asia to subscribe to the International Monetary Fund's [IMF] latest economic report system.

Singapore is the only other in the region recognised by the IMF to report under its stringent reporting system.

The new reporting system, "special data dissemination standard (SDDS)," is a high-level of economic reporting which requires a country to form 17 indicators determined by the IMF.

Countries which apply this reporting system have to report figures to the IMF on August 9.

The IMF will name participating countries by the end of this month.

Central bank deputy governor Chaiyawat Wibunsawat said Thailand has been recognised by the International Monetary Fund to subscribe to the new reporting system. Twenty countries worldwide have passed the first round of screening.

Mr. Chaiyawat said the National & Economic Social Development Board, Bank of Thailand, and Ministry of Commerce had cooperated to report key economic figures to the IMF.

This is expected to clear up any ambiguity in Thailand's economic data which resulted from interpretation and different definitions in data collection.

The country's economic figures will be released in a timely manner through the IMF bulletin board, he said.

Thailand: Poll Says Foreign Investors Still Find Country Appealing

BK2208052396 Bangkok THE NATION in English 22 Aug 96 p B1

[Report by Charuwan Loetwinyu, Sarawut Chiraphitsankun]

[FBIS Transcribed Text] Despite shaky political conditions and several macro-economic problems, Thailand ranked first among Southeast Asian [SEA] countries as an investment site for foreign investors, according to ABAC [Assumption Business Administration College] Research.

The poll focused on foreign viewpoints of the investment environment in SEA and showed Thailand was the first choice for foreign investors.

Winchai Cocorcadul, head of the ABAC marketing department, admitted the results might contradict the viewpoint of Thai investors. This may be because foreign investors are far from Thailand and are not as affected by local problems.

Politics has a significant influence on investors as 56.3 per cent of those polled considered politics the most important factor. Market potential and labour costs were also considered to be very important.

For foreign investors, Thailand is still politically stable despite the withdrawal of the Phalang Tham Party from the coalition. The Opposition has also presented a censure motion to Prime Minister Banhan Sinlapachai. This all leads to speculation that Banhan will soon resign, reshuffle the Cabinet or dissolve the House of Representatives.

Twenty-five per cent of those surveyed were strongly confident in Thailand's politics; 34 per cent fairly confident; 32 per cent fairly uncertain; 8 per cent strongly uncertain; and 1 per cent abstained.

Nopphadon Kannika, head of the researchers, said aside from the stable politics, investors favour Thailand because of free economic policies, high domestic consumption levels and appropriate production costs. Electronics was the first industry choice of investors and accounted for 43.3 per cent of the poll followed by the service sector, soft industries such as garments and shoes, and agriculture. The investors suggested Thailand develop its infrastructure, improve its political environment and reduce bureaucratic red tape.

Ranked second by the poll was Vietnam, followed by Singapore, Malaysia, Indonesia, the Philippines, Laos, Burma, Cambodia and Brunei.

The poll consisted of 232 respondents from Europe, Japan, Taiwan, Hong Kong and South Korea. The service sector was represented by 25.2 per cent of the respondents while 17.2 per cent were involved in light industries and 16.4 per cent in electronics.

Thailand: 'Tighter Security' Ordered at Interior Ministry

BK2208023096 Bangkok THAILAND TIMES
in English 22 Aug 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — The Interior Ministry has beefed up security in and around its headquarters following the threat of a bomb attack, it was reported yesterday.

The chief of the ministry's security guard, Pol [Police] Maj. Kraisit Ariyawat, issued an order on Monday to step up security.

Tighter security will be provided for ministry VIPs, including Interior Minister Banhan Sinlapa-acha, deputy interior ministers, and the interior permanent-secretary.

"Violence and unrest which has broken out in several areas of the country as well as political changes may provoke violence in the ministry and affect key figures," according to the order.

Banhan has been heavily criticized for occupying both the post of premier and interior minister, which has resulted in poor management in preventing unrest in several areas.

The already heated political situation, which was further exacerbated after the Phalang Tham Party withdrew from the coalition last Wednesday, has worsened the government's poor situation.

Police officers are stationed at strategic locations in and around the ministry from 6:00 a.m. until 6:00 p.m. or until senior officials have left the premises.

"If anyone (police) ignores his duty or violates orders which results in an important official's injury or damage to the ministry, he will suffer severe disciplinary measures," the order reads.

A bomb exploded at a police kiosk beside the ministry in 1992 when Defense Minister Chawalit Yongchaiyut was the interior minister under the Chuan Likphai government. The explosion, along with several others in different areas were said to be aimed at discrediting Chawalit.

Thailand: Banhan's 'Early Demise' Predicted Due to Bickering

BK2208045996 Bangkok THE NATION in English
22 Aug 96 p A4

[Commentary by Sorayut Suthatsanachinda in the "Political Watch" column: "Fighting for Political Survival"]

[FBIS Transcribed Text] Whether the report that police are planning to arrest Suchat Tancharoen and his father, Wichian Tancharoen, in connection with the Nong Khai land-grabbing scheme was politically motivated or not, Prime Minister Banhan Sinlapa-acha is now in hot water because of it.

Suchat's Thoe Thai faction certainly believes that the report was leaked to the press intentionally and that the premier had something to do with it. Some faction members also expressed belief that Banhan would take advantage of the situation to blackmail them for their support during the no-confidence debate expected next month.

The group has all the reason to make such conclusions since Banhan really needs to be guaranteed that the faction, which has at least 18 MPs in the coalition government, will not betray him now that the 209-strong coalition has a slim majority of 13 in the 399-member House.

Banhan did not hesitate to negotiate with the group for its support immediately after the Phalang Tham Party (PDP) and its 23 MPs pulled out last week.

But the negotiations did not really go too far. Faction members were disappointed, particularly with the prime minister's decision to wait until after the censure debate before allocating a number of Cabinet posts to some of their stalwarts.

Thoe Thai members have been relentlessly pressuring Banhan to give them positions in the Cabinet now because they no longer trust him. They fear that Banhan would lure them to his side in order to receive a vote of confidence in exchange for nothing.

If Banhan survives the censure vote, they fear they will be ignored since the parliamentary session will end on Oct 9, with the next one scheduled in May 1997.

The group met last week and sent Suchat to meet Banhan on Friday to force the premier to make a decision. But two days later, the report on the planned arrest of Suchat and his father came out. As a result, the group could not help but presume that Banhan was using the Nong Khai land scandal to blackmail them.

The situation was similar to the one immediately after the no-confidence debate last May when Suchat was

criticised also over the Bangkok Bank of Commerce (BBC) loan scandal.

At that time, the PDP asked Banhan to remove Suchat and his friend, Newin Chitchop, as deputy interior minister and deputy finance minister respectively.

Thoet Thai fought back and asked its five ministers to resign to make Banhan choose between them and the PDP.

Despite the volatile political situation, Banhan summoned the police chief, the Bank of Thailand governor and finance minister and instructed them to speed up the investigation in the BBC fiasco. This was seen by the group as an attempt by the premier to make them toe the line.

When the Prachakon Thai and its 18 MPs pulled out, Thoet Thai once again lobbied for more Cabinet posts. Suchat and Thoet Thai leader Narong Wongwan did not waste time and had a meeting with Banhan at his house.

After speculation grew that Newin and Suchat would return to the Cabinet, Banhan met with the chief of the Land Department. It was revealed later that the premier asked him to speed up the investigation into the alleged unlawful issuance of land documents in Nong Khai.

The land chief said documents covering some 40,000 rai [approximately 16,000 acres] would be revoked. That would mean that the Tancharoen-controlled Niwiwes and Silar companies would have to find new collateral for the BBC. A new committee tasked with looking into the BBC's shady financial deals then said it might sue Suchat and his father to force them to repay the loans that had been obtained after using the Nong Khai land documents as collateral.

That was the second time that Thoet Thai felt Banhan had tried to cut them off and lessen their bargaining power.

The last straw came when a report came out on the impending arrest of Suchat and his father. However, Banhan later put it on hold.

The group saw this move by the prime minister as his way of ensuring their support. However, they also believe this indicated that Banhan did not trust them and tried to use the land scandal to blackmail Suchat. Having lost patience, the group has decided not to conduct further negotiations with Banhan.

Earlier, Newin was seen as having an outside chance of getting back to the Cabinet. But after all that has happened, Newin has made clear that he will not accept a Cabinet post.

The group is now simply waiting for the right moment to take revenge and the no-confidence debate could be the best time to settle scores.

They are of the belief that Banhan used the BBC and Nong Khai scandals to weaken them. As such, it comes as no surprise that they want to do the same thing to Banhan.

They were furious that Banhan emerged as a hero at their expense. By taking action on the BBC and Nong Khai cases, Banhan has shown a certain degree of assertive leadership.

The Thoet Thai members also know that if they were reinstated to their previous positions in Cabinet, they would be used to divert public attention from the embattled Banhan.

Because of this, they are expected to do their best in order to get back at Banhan.

For his part, the premier could argue that he would not resort to such tactics if only to keep Suchat and his group in line as this would be too obvious. He could also say that he would not dare take a risk and infuriate them even more, especially now that his government has to contend with several issues, including the budget bill debate and the charter amendment bill.

But Thoet Thai's members might remind Banhan that he has betrayed them before.

Adding to Banhan's woes is the reaction of Pol (Police) Col. Phaitun Wikipathani, who vowed not to remain silent despite his recent transfer after seeking the arrest of Wichian.

Phaitun threatened to expose the "absurdity" of senior government officials if he was persecuted.

Phaitun was trying to show the public that he had simply carried out his duty, while Banhan went out of his way to protect a friend.

With all the troubles facing Banhan, his political demise might come sooner rather than later no matter how good he is at covertly conducting political manoeuvres.

Thailand: Academic Warns of 'Bloodshed' if Reform Bill Stymied

BK2208022596 Bangkok THAILAND TIMES
in English 22 Aug 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Prominent academic Prawet Wasi warned the government yesterday

that unrest and violence will occur resulting in bloodshed if the government does not accept the draft amendment of Article 211 revised by the House panel for the second reading.

Meanwhile, the government whip yesterday made the decision to persist in the delay of 15 days in order for the House panel to review the draft amendment.

"Banhan never listens to my warnings and I will never warn him again," Prawet said.

The senior citizen said Prime Minister Banhan Sinlapachacha has very limited time. If the prime minister makes the wrong decision, he will lose his dignity and will have to live with his mistakes for the rest of his life.

He said that if the government does not accept the House panel's draft charter amendment at the joint House-Senate meeting today, the panel members will resign and "turmoil will result leading to bloodshed."

Prawet was the chairman of the Democracy Development Committee appointed by the Banhan government to set the fundamental principles leading to the charter amendment. The committee is now defunct since its duty is finished.

The government and the opposition are now debating over the coalition government's original draft. Meanwhile, the opposition and academics want the charter draft revised by the House panel.

Banhan has promised since the national election last year that he will push the charter amendment through parliament as a part of his planned political reform, which he has claimed to be one of his government's priorities.

The government whip yesterday agreed to postpone consideration of the charter for 15 days to review the draft charter amendment to Article 211.

Prime Minister's Office Minister Phongphon Adireksan said after the whip meeting the government whips agreed that the ad-hoc House panel assigned to draft the Article 211 amendment will have to go back and revise the original draft made by the government.

The decision for review is in contrast with Prawet who said the government appointed the House panel by itself, therefore, it should respect the decision made by the panel.

Prawet said if the House panel members resign in disgust, the government will appoint another committee to continue the work.

Each coalition party has already prepared a list of those to replace any panel members who resign, he said.

A government source said the consideration today at parliament by the House panel, especially Chai-anan Samutwanit. Some panel

Chai-anan's colleague, Kasem, appointed to replace him, said

The opposition condemned the buy time by delaying the charter in parliament, which was parliament today.

"The government is buying time inevitable downfall of its republic debate," said Democrat Alongkorn.

Alongkorn, who is also the House said the panel will not yield to proposal to be made today.

Thailand: Surprise Proposal in Reshuffle

BK2208054096 Bangkok BAN in English 22 Aug 96 p 11

[Inside Politics Column]

[FBIS Transcribed Text] A group of officers are quite surprised when an assistant chief-of-staff for operations Hongthong, was proposed by Pramon Phalasin to become the replacing Gen. Suthep Siwara.

"This kind of promotion is unusual for a three star army general.

Traditionally, a deputy chief-of-staff have more seniority than the assistant should be given priority for promotion.

Gen. Pramon's promotion of surprised several senior army officers. army deputy chief-of-staff Lt. Gen. was more senior than Lt. Gen. to have close ties with the army.

Lt. Gen. Chan, a military graduate Military Academy Class 11, was chief-of-staff for personnels, 1993 while Lt. Gen. Chokchai, class 10, was promoted to assistant operations a year later.

Another unexpected promotion army commander is the nominal Region Commander Lt. Gen. P.

the assistant army commander post bypassing several senior officers.

A military insider said Supreme Commander Gen. Wirot Saengsanit felt uncomfortable after seeing the army-proposed list and has urged the army chief to reconsider it.

"Gen. Pramon insisted on his list and would not make any changes. He did not even provide explanation why officers with less seniority were given priority for promotion.

"The supreme commander has no choice but to change the reshuffle list by giving priority for promotion to army officers with seniority. He made Lt. Gen. Chan the army chief-of-staff," noted the general.

It should also be noted that Lt. Gen. Chan's advance was blocked in the early 90s when the army was totally controlled by the infamous class-5 members, led by former army commander Gen. Suchinda Khraprayun who considered the officer a loyalist of Defence Minister Gen. Chawalit Yongchaiyut.

The source added that Gen. Wirot strongly opposed the promotion of Lt. Gen. Panthep, a former classmate of deputy army commander Gen. Chettha Thanacharo, and decided to support Second Army Region commander Lt. Gen. Surayut Chulanon and Army Air Defence Commander Lt. Gen. Samphao Chusi as assistants army commanders.

Lt. Gen. Surayut and Lt. Gen. Samphao are considered more senior than Lt. Gen. Panthep.

Gen. Wirot is expected to deliver the military reshuffle lists to the Defence Minister this weekend.

Vietnam

SRV: Cambodian Chief of General Staff Arrives for Visit

BK2108153996 Hanoi VNA in English
1443 GMT 21 Aug 96

[FBIS Transcribed Text] The chief of general staff of the Cambodian Royal Army, Gen. Ke Kimyan arrived in Hanoi today for an official visit as guest of his Vietnamese counterpart, Lt. Gen. Pham Van Tra.

Later the day, General Ke Kimyan held talks with a delegation from the general staff of the Vietnam People's Army. The two sides exchanged views on the developments in the region and in their respective countries. They also discussed activities to be carried out to steadily consolidate and boost the friendly relations between the nations and the armies of Vietnam and Cambodia.

The Cambodian general and his entourage were feted this evening by Lt. Gen. Pham Van Tra and granted a song and dance performance by army artists.

SRV: Vu Mao Grants Interview After Cambodia Trip

BK2208032196 Hanoi Voice of Vietnam in English
1000 GMT 21 Aug 96

[Unattributed report]

[FBIS Transcribed Text] Cambodian Second Prime Minister Hun Sen told the Vietnamese Parliamentary delegation led by National Assembly Office Chairman Vu Mao that history would never forget the fact that Vietnamese Armies have saved Cambodia from a genocide and that Vietnam has never intervened in Cambodia.

Mr. Vu Mao led the Vietnamese Parliamentary delegation to Cambodia last week. After his return to Hanoi, our radio correspondent had an interview with him on the trip.

Asked about the result of his Cambodia visit, Mr. Vu Mao said:

[Begin Vu Mao recording in Vietnamese fading into English translation] The visit was very successful. Our delegation met and had working sessions with Cambodian National Assembly Chairman Chea Sim, first and second Prime Ministers Ranariddh and Hun Sen. At those talks, both sides expressed the wish to continue developing the traditional relationship and strengthening cooperation in science, technology, culture, and other fields to the level of their potentials. The Cambodian leaders held that strengthening cooperation with Vietnam is to enhance Cambodia's integration into ASEAN cooperation.

Asked about relations between Vietnam-Cambodia and Cambodia-Vietnam friendship associations, Mr. Vu Mao said:

[Begin Vu Mao recording in Vietnamese fading into English translation] The visit was also made in the name of the Vietnam-Cambodia Friendship Association. We had a working session with the Cambodia-Vietnam Friendship Association, which has laid stress on Vietnam's efforts to help Cambodia from the Pol Pot genocidal regime.

Cambodia is now finalizing the organization with friendship associations with the Cambodian People Party and the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and hope to ally forces among the people to step up activities in solidarity with the Vietnamese people.

On the point of Vietnam and Cambodia's settlement of the existing issues between the two countries, Mr. Vu Mao pointed out: At present, the two countries are providing guidelines to working groups of the two ministries to promote negotiations for solutions as soon as possible. This will lay a foundation for further development of the comprehensive cooperation and special friendship between the two countries.

SRV: Malaysian Army's Staff College Delegation Visits

*BK2108154596 Hanoi VNA in English
1445 GMT 21 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 21 — A delegation of the Malaysian Armed Forces' Staff College headed by its Deputy Director Colonel Lai Kin Hin made a study tour of Vietnam from August 11-17.

While here, the delegation was briefed on Vietnam's economic development and foreign policy. It was received by leaders of the general staff of the Vietnam People's Army and visited the military institute and a number of army units and localities.

SRV: Radio Reviews Improving Vietnam-Canada Relations

*BK2108164596 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 20 Aug 96*

[Unattributed essay]

[FBIS Translated Text] The direct relationship between Vietnam and Canada was established more than 40 years ago when Canada joined the International Supervision Committee in Vietnam. Canada officially set up diplomatic relations with Vietnam 22 years ago and these relations have really developed in the 1990's.

Canada considers that Vietnam plays an important role in the region and that with the positive results of Vietnam's renovation undertaking and open-door foreign policy, together with the change in Canada's direction toward the Asia-Pacific region, potentials and opportunities for economic cooperation between the two countries are enjoying favorable conditions for further development. Canada welcomes Vietnam's joining ASEAN and has confirmed it will continue supporting Vietnam's becoming of APEC and will assist and support Vietnam in hosting the Francophone Summit in 1997.

Since March 1990, Canada has officially resumed its development aid to Vietnam. The International Development Agency of Canada has broadened its bilateral cooperation activities and carried out a long-term plan in Vietnam on the basis of the agreement reached at

the first talks on development aid held in Hanoi in April 1995. These programs of development aid concentrate on improving Vietnam's capacity in planning and management of economic and social reform programs. Since 1990, Canada has given \$55 million [Canadian dollars] for its development programs in Vietnam, including more than \$43 million reserved for food and humanitarian aid. The rest of the money has been given to Canadian institutions and private companies to support their development activities in Vietnam. At present, annual total aid through all channels is about \$12 million.

The trade ties between the two countries also increased significantly after Vietnam opened the door of its economy. In 1994, the total trade figure was more than \$58 million, doubling the figure of three years earlier. In 1994, Canadian exports to Vietnam doubled its total, and Canada's imports from Vietnam increased 28 percent over the previous year.

Canada mainly exports to Vietnam pharmaceutical products, cereals, machines, electrical devices, and optical and measurement equipment. It imports from Vietnam aquacultural products, garments, coffee, and leather products. Canadian businessmen are actively working in Vietnam in various fields such as transport, telecommunications, oil and gas, fishing, environment, and construction. Some of Canada's leading enterprises doing business in Vietnam are AIT, SR Telecom, Northern Telecom, SNC, and LA Phaline.

Vietnam and Canada have conducted many exchange visits at the ministerial level, especially the first official visits to Canada by Deputy Prime Minister Phan Van Khai in June 1994 and to Vietnam by Canadian Prime Minister Jean Chretien in November 1994. During these visits, Vietnam and Canada officially signed the agreement on economic cooperation and the agreement on development cooperation, and initialed the trade agreement.

Continuing the development trend of 1994, the two countries set up the Vietnam-Canada Inter-governmental Economic Committee and signed the project on the management of communication technology in 1995. Particularly late in the year, during the official visit to Vietnam by Minister of Foreign Affairs Andre Guellet, Canada and Vietnam officials signed the trade agreement and a series of memorandums on Canadian development projects in Vietnam.

In his April visit this year, the Canadian minister of finance held extensive contacts with Vietnamese specialists in economy and finance to broaden cooperation between the two countries. Addressing journalists on the fine relations between Vietnam and Canada, he said:

[Begin Canadian finance minister recording in English fading into Vietnamese translation] I can say that the friendship and admiration of the Canadian people for the Vietnamese people are great. We believe Vietnam has a very bright future. I pledge to do my best to help the Vietnamese people. More Canadian companies are interested in becoming important counterparts of Vietnam. [end recording]

After Vietnam became an official ASEAN member, many countries, including Canada, have changed their policies to further improve their relations with ASEAN, including Vietnam. On 25 July, while ASEAN held its meeting for foreign ministers, the Canadian foreign minister signed and exchanged letters with Foreign Minister Nguyen Manh Cam about Vietnam's officially joining APEC. Canada would extend the training program and scientific cooperation in the region another two years. It would also provide a supplement of \$2.5 million so that Vietnam could join in these activities. Addressing this issue, the Canadian foreign minister stressed that the Canadian Government is happy to include Vietnam in agreements that Canada has signed with ASEAN. Vietnam's joining ASEAN would help to further stabilize the regional situation and strengthen Canada's relations with Vietnam.

In his visit to Vietnam last July, the Canadian secretary of state for Asia-Pacific affairs was very pleased at important steps forward steps in the relations between Vietnam and Canada in recent years. He confirmed that:

[Begin Canadian secretary recording in English fading into Vietnamese translation] I know that some contracts and memorandums have been signed during this Vietnam trip by Canadian businessmen. However, in my opinion, the measure of the success is not the signed contracts and memorandum. Rather, the important thing is the mutual understanding. This visit has helped us to open the door for Canadian companies to introduce their capabilities to Vietnam. Many members of this delegation participated in the delegation of the Canadian prime minister on his visit to Vietnam. Since then, the activities of these companies have been very good. The trade turnover between the two countries has doubled over the past year. The Vietnam visit by the Canadian prime minister has definitely contributed to the great success of the following tasks. [end recording]

SRV: Foreign Investment in Vinh Phu, Can Tho Reviewed

BK2208082696 Hanoi VNA in English
0604 GMT 22 Aug 96

[FBIS Transcribed Text] The northern province of Vinh Phu now has 15 joint venture projects licenced

with investment capital totalling \$200 million, ranking eleventh among the 20 provinces and cities registering foreign investment.

Japan is the biggest foreign investor in Vinh Phu in terms of number of projects and investment capital, with \$2 million in the Xuan Hoa hotel project, \$1.05 million in the Heisei hotel project, \$15 million in the Tam Dao golf course, \$89.6 million in a Toyota vehicle assembly plant, and \$104 million in a Honda motorbike assembly factory. Japanese investors have also applied for involvement in projects to build a factory to produce auto and motorbike parts capitalized at \$70 million, a car tire, tube, brake and seat factory, a diamond processing factory, and the \$30-million Dai Lai golf course.

In the 1997-2000 period the province plans to construct the Suong bridge (\$0.45 million) and the Luong Nha bridge (\$0.47 million) with World Bank loans, develop a project to ease environmental pollution with \$0.924 million from Official Development Assistance, and implement a 'green road surface' project with a \$3.5 million loan provided by Japan. Vinh Phu is also seeking foreign partners for an approved \$300-million project to build a cement factory with an annual capacity of 1.4 million tonnes.

The southern province of Can Tho has so far this year received 110 foreign delegations of economic establishments, businessmen, and investors inquiring into the possibilities of cooperation. Foreign investors have long shown interest in the development plans of Can Tho which has expanded and upgraded facilities at the Tra Noc export processing zone where more than 20 enterprises and factories are operating in the food processing, construction materials, steel and oil industries. A plan has also been developed to build a new industrial zone in Hung Phu, south of Can Tho city, covering 500 hectares. As a result, many foreign investment projects were licensed in the first seven months of this year, raising the total investment capital in Can Tho to more than \$200 million from \$53 million in 1995 with \$160 million realised. One major project was signed by the Cataco company of Can Tho and Taiwanese partners to build an oil refinery at a cost of \$35.36 million in Tra Noc industrial zone, and another has been signed with a Danish company for food preservation, capitalized at \$6.5 million.

The Tay Do steel rolling factory, a joint venture between Can Tho and a South Korean partner with a design capacity of 120,000 tonnes/year is also under construction.

SRV: ASEAN Official Urges Hanoi To Break Up State Monopolies

BK2208100396 Bangkok BANGKOK POST
in English 22 Aug 96 p 2 (BUSINESS Supplement)

[Report by Atchara Atchayakachat from Ho Chi Minh City]

[FBIS Transcribed Text] Vietnam's state enterprises must strive to make their operations more transparent and to get rid of state monopolies if the country is to honor commitments made under the ASEAN Free Trade Area [AFTA], according to ASEAN secretary-general Dato Ajit Singh.

He said Vietnam would not have much trouble reducing its tariffs to meet commitments because 60 percent of products are accorded tariff rates of five percent or less.

"The problem is really one of eliminating the quantitative restrictions (quotas) and the non-tariff barriers," Mr Ajit told delegates to a trade seminar here yesterday.

The seminar was organized by the Vietnam Chamber of Commerce as part of the ASEAN-CCI [Chamber of Commerce and Industry] meeting.

The ASEAN secretary-general stressed that Vietnam must get rid of those restrictions and barriers by reducing the role of its state enterprises.

Just a few years ago, the country listed more than 12,000 state enterprises. That figure is now down to about 6,000, with 1,250 of them dealing with external trade.

Mr Ajit said quotas must be eliminated as quickly as possible, while non-tariff barriers should be phased out within five years.

"This is not an easy task and it will require a very determined effort," he said, adding that Vietnam and its ASEAN counterparts must make determined efforts to meet AFTA deadlines.

Mr Ajit said although Vietnam might have better reasons than other members for wanting to get rid of quotas and non-tariff barriers more slowly, it must form a plan to eliminate them and present it to the ASEAN Economic Ministers Meeting next month in Jakarta.

ASEAN countries excluding Vietnam have already identified non-tariff barriers relating to technical standards and have set out plans for their immediate elimination.

Governments have also begun gathering comments from the private sector on how to eliminate other quotas and non-tariff barriers with the least disruption to local industries.

Mr Ajit said Vietnamese officials must work quickly to implement clear and transparent laws, regulations and procedures.

Murky rules and regulations are often compounded by poor infrastructure, excessive bureaucracy, the lack of a proper judicial system and the absence of a land title system, he said.

Transparency is one of the basic requirements for membership to the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO).

"Since Vietnam aspires to become a member of the WTO soon, it is imperative for her to address this issue urgently," he said.

Currently, foreign investors tend to opt for 100 percent equity ownership in investments in the country rather than seeking joint ventures with Vietnamese partners.

The Vietnamese government is also concerned about investment shortfalls and the difference between the amount of foreign investment committed and the amount actually invested.

"The (Communist Party of Vietnam's) Eighth Party Congress is over and the Vietnamese leaders and officials have realized certain shortcomings and started to fully pay attention to these problems," Mr Ajit said.

"We are all operating in a very competitive market for foreign investment and we have to remain attractive if we are to retain the interest of these investors," he added. "Any move to step back if given under the AFTA scheme would be unfortunate."

So far, Vietnam is on track to achieve the goals it committed to attaining within a year of joining ASEAN.

Trade between Vietnam and ASEAN increased from U.S.\$1.8 billion annually in 1993-1994 to about U.S.\$2.5 billion the next year. In 1995, one third of its trade was with ASEAN, while one fifth of the total investments came from ASEAN.

Vietnam currently exports more to ASEAN than it imports from it, but will eventually turn that around.

SRV: Defense Minister Visits Military Units, Schools

BK2208042096 Hanoi Voice of Vietnam Network
in Vietnamese 2330 GMT 21 Aug 96

[FBIS Translated Text] General Doan Khue, member of the party Political Bureau and minister of national defense paid working visits to the Navy Institute, the Command Communication Technology Academy, and the Flying Training and Air Force Technical School.

Accompanying the minister was Major General Nguyen Van Rinh, member of the party Central Committee and deputy chief of the General Staff.

Gen. Doan Khue, on behalf of the party Military Central Committee and the Ministry of National Defense commended the achievements and efforts of cadres, instructors, and trainees of the schools to train many good quality officers and technicians. He reminded the schools to understand firmly concepts of education and training. He stressed that in the building of the armed forces, the training of cadres is the central task. Particularly in the current situation, with new conditions, training quality must be further upgraded quickly and firmly, especially in political knowledge and technical level to fulfill the role of building a regular, skillful, and modern people's revolutionary armed forces.

On this occasion, General Doan Khue also visited some units in the C Navy region, the Air Force Division C-37, and the Commando Division M-26.

SRV: Assembly Chairman Tours Southern Province of Ben Tre

BK2108162796 Hanoi VNA in English
0749 GMT 20 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 20 — Chairman of the National Assembly Nong Duc Manh has paid a working visit to the southern province of Ben Tre.

The National Assembly chairman was informed by leading provincial officials of the socio-economic situation, and the national defense and security of the province. He also heard reports on activities of the people's councils at all levels and of the local delegation to the current ninth legislature.

Chairman Manh, who is also a politburo member of the party Central Committee, highly praised the party organization and people of Ben Tre province for their achievements in socio-economic development, security and defense, but especially in education. This year, Ben Tre reached the national target of eliminating illiteracy for adults, and half of the eight districts and provincial town and 132 of 158 communes completed primary education universalization.

Speaking to the local authorities, the National Assembly leader instructed them to accelerate industrialization and modernization with priority given to restructuring planting and livestock breeding, boosting irrigation work and applying new bio-technology into production. He also urged the province to boost investment in the aquatic produce processing industry and the communications network.

Ben Tre should expand and restore traditional trades and other trades in order to provide more jobs and develop the local economy, the chairman concluded.

SRV: Paper Urges Development of Cooperatively Owned Economy

BK2108143596 Hanoi QUAN DOI NHAN DAN
in Vietnamese 14 Aug 96 p 1,2

[Editorial: "Developing the Cooperatively-Owned Economy"]

[FBIS Translated Text] The Eighth Party Congress affirmed the continued development of the multi-sector economy along a socialist path. It pointed out: "... the need to concern oneself with renovating and developing the state- and cooperatively-owned economies, trying to make the state- and cooperatively-owned economies a mainstay of the national economy." The congress also pointed out that we must "increase our leadership and guidance and come up with a preferential policy for the cooperatively-owned economy, the core of which is well-developing cooperatives."

The past several decades saw the cooperatively-owned economy playing a very important role in liberating the country, defending the fatherland, and building socialism. In every sphere of work, cooperatives — especially agricultural cooperatives — were credited with helping defeat the enemy's war of destruction, making contributions in human life and property to helping troops guarantee the security of the rear, and motivating youths to go to the front. There appeared a big rear area where cooperatives blended in with the population. This reflected our people's strong vitality, creativeness, and thousand-year-old tradition.

While shifting to a new structure, a number of cooperatives have, over the past few years, renovated themselves organizationally. They have also renovated their scope of activity and their mode of operation and have restored their production and business. Many new forms of cooperation exist, thus contributing to the success of the renovation process.

During the new stage of development, industrialization, and modernization, to develop the role of the cooperatively-owned economy, we must review the situation and draw on experiences, if we are to expand various diverse forms of economy for workers in various branches and trades and to enforce the law on cooperatives. We must ensure the principle of volunteerism and the system of open democratic management in finance and business, carry out the distribution system of "to each according to his work and his capital share," and strive to obtain international capital assistance.

Along with the entire population, public organs and military units must make their active contributions to developing the cooperatively-owned economy in various sectors and spheres of work. As regards operating guidance, we must help party cadres and party members and non-members understand the viewpoints and the essential substance of the resolution of the Eighth Party Congress and other documents of the party and state regarding the cooperatively-owned economy. We must also improve their knowledge of the position and significance, past and present, of this economic sector, particularly the need to consolidate and develop the cooperatively-owned economy and cooperatives in line with party policy and state law and with new requirements for development. Military units must cooperate closely with relevant localities in spreading propaganda about the above things to the people in the areas where they are stationed, so that the population can be well-informed.

Such propaganda activities can be carried out in coordination with field training trips, during which working teams will be formed to carry out civic action programs that consist of establishing sworn- brotherhood (keets nghiax) and organizing talks on current events. This is to keep the people informed as regards the cooperatively-owned economy, and encourage them to practice to. Units that have frequent contact with the cooperatively-owned economic sector must create conditions for the cooperatively-owned economy and the cooperatives to go in the right direction and produce realistic results. Only thus can our cadres and combatants contribute to renovating and developing the cooperatively-owned economy in order to achieve the objectives of a prosperous people, a powerful country, and an equitable and civilized society, thereby implementing the resolution of the Eighth Party Congress successfully.

Australia

**Australia: Downer Visits China To Smooth
'Strained' Ties**

*BK2208091896 Melbourne Radio Australia
in English 0630 GMT 22 Aug 96*

[FBIS Transcribed Text] Australia's Alexander Downer arrives in China today for his first visit as foreign affairs minister to the country, a visit aimed at smoothing strained relations between the two countries.

Mr. Downer appears to be taken no chances in his bid to get the relationship back on track after a series of protests by China over aid cuts and issues related to Taiwan and Tibet.

The foreign minister is armed with some strong ammunition: a \$14- million Australian dollar peace offering to appease Beijing's protest on one of those funds cut to the soft-loan aid scheme known as DIFF [Development Import finance Facility].

But as correspondent Camille Punnell reports, a leading Chinese expert on relations with Australia is warning protests over two other issues present a big problem in relations between the two countries.

[Begin recording] [Punnell] Alexander Downer will arrive in the Chinese capital today with a \$14 million face-saver; that's the price tag for China for Mr. Downer's partial backdown over the decision to scrap the concessional aid scheme known as DIFF. The scrapping of the scheme effectively halved Australian aid to China and in the face of strong protests from Beijing, Mr. Downer is now restoring some of those aid projects at the cost of \$14 million. And in a bid to smooth the path of the foreign minister, Canberra this week dispatched a senior aid official to Beijing to spread the word of the \$14 million offer. Mr. Downer will also tell China's Trade Minister Madame Wu Yi of the peace offering at a meeting tomorrow. But today several other issues are expected to be raised when Mr. Downer meets his Chinese counterpart Qian Qichen.

China's Foreign Ministry strongly protested Canberra's decision to send a minister on a trade mission to Taiwan next month and the decision to receive Tibet's religious leader in exile, the Dalai Lama, when he visits Australia in mid-September. Mr. Downer has already sought to downplay the protest by Beijing but a leading Chinese academic warns that the timing of the two issues adds up to a big problem for Canberra.

[Ham Sung] is the secretary general of the Center for Australia, New Zealand, and South Pacific Studies, at the think-tank, the Chinese Academy of Social Sciences.

[Ham Sung] I have mentioned it's quite serious because at least in recent years China hasn't made this kind of challenge; that means we have to protest two issues, Taiwan and Tibet issues, to one country. So it's quite serious.

[Punnell] And he says it is unnecessary for Canberra to decide to send Primary Industries Minister John Anderson to Taiwan next month to head a trade delegation.

[Ham Sung] It is quite understandable that Taiwan is very important for Australia in terms of trade because Taiwan is the seventh largest trade partner of Australia, just next to mainland China. But in my understanding, it's (unreasonable) and unnecessary for the Australian Government to send a high official there because you already have good trade relations with both China and Taiwan.

[Punnell] China has also told Canberra its plan to sell uranium to Taiwan is a sensitive issue and a recent commentary in the Communist Party newspaper, the PEOPLE'S DAILY, raised questions about Australia's new security pact with the United States. All the issues, however, do not serve as a real threat to Australia's relations with China. In time analysts predict the friction will be smoothed over with some claiming there is an element of China testing the new Howard Government. [end recording]

**Australia: Article Predicts Hurdles for Downer
During China Visit**

*BK2208051396 Sydney THE SYDNEY MORNING
HERALD in English 22 Aug 96*

[Article by Stephen Hutcheon: "Downer Faces Hurdles"
— received via Internet]

[FBIS Transcribed Text] The Australian Foreign Minister, Mr Downer, arrives in Beijing today, bearing a \$14 million [Australian dollars] face-saver.

That amount represents aid funding that has been restored after China complained bitterly about Canberra's decision earlier this year to axe the Development Import Finance Facility (DIFF) soft-loan scheme.

That decision cut funding from 24 Chinese projects that were in the pipeline and left China hopping mad. In part, this was due to the lack of adequate consultation.

But China was also offended when Mr Downer told Parliament that there had not been one official complaint from any of the four countries which benefited from the program.

In fact, the Chinese had complained bitterly. And it was a leaked protest letter from a Chinese Trade Ministry

official that eventually forced Mr Downer to back down from the earlier assertion.

Mr Downer is expected to make the peace offering to the Chinese Trade Minister, Madam Wu Yi, when the two meet tomorrow.

The aid issue is the thorniest of several small irritants that have dogged the bilateral relationship since the Howard Government took office in March, and more hosing down will be required when Mr Downer meets his counterpart, Mr Qian Qichen, this afternoon at the State Guest House.

The Chinese Foreign Ministry has, in recent weeks, admonished Australia both for its decision to send a minister on a trade mission to Taiwan next month and for agreeing to receive the Dalai Lama in mid-September.

The Foreign Ministry also reacted to Mr Downer's statement last week that Canberra was studying whether uranium could be sold to Taiwan's State power company, warning that the sale of uranium was a "sensitive issue".

And a recent commentary in the official Communist Party mouthpiece, the People's Daily newspaper, also raised an eyebrow over Australia's recently upgraded defence relationship with the United States, and wondered if Canberra was being drawn into a US-inspired plot to "contain" China.

The issues do not seriously threaten to derail the relationship but the Chinese seem to be using them to put Mr Downer on the defensive and wring a few concessions out of him.

The success or otherwise of the trip may well be determined on how adroitly Mr Downer is able to deflect China's opening shots. It is in his interest to get over those hurdles as quickly as possible and progress onto the more substantive issues of mutual concern and interest, of which there are many.

These include regional security issues, nuclear issues (which are now mostly resolved as a result of China's decision to end testing and agree to the Comprehensive Test Ban Treaty), Australia's candidature for a seat on the United Nations Security Council, Hong Kong and Taiwan.

Mr Downer will also need to reinforce the Howard Government's assertion that it is as interested in the region as was the previous Labor Government. Some Chinese officials feel that the commitment is waning.

Mr Downer will be able to point to the fact that he will be followed a week later by the Trade Minister and Deputy Prime Minister, Mr Fischer, who is due on

a week-long trip to Shanghai, Beijing, Tianjin, Dalian and Guangzhou.

Australia: Editorial Assesses Tough Budget Announced on 20 Aug

BK2108041696 Sydney THE SYDNEY MORNING HERALD in English 21 Aug 96

[Editorial: "Mr Costello Bites Deep" — Received via Internet]

[FBIS Transcribed Text] Despite the widespread leaking and advance announcements of Budget details, the Treasurer, Mr Costello, still managed to spring some surprises last night. The fact that a small Budget surplus (\$474 million) is forecast for this year is not one of the surprises, however. This is the headline figure and should be ignored. After the proceeds of assets sales and transfers are excluded, the forecast underlying Budget deficit is still \$5.6 billion — compared to an underlying deficit of \$10.3 billion last year. This also is not a surprise. In July, Mr Costello announced that the Government would take three years — not the two years it promised when it took office — to return the Budget to an underlying balance.

The best way of assessing the Government's overall performance in its first Budget is to compare it with the undertakings which Mr Costello gave on March 12 (when releasing details of the financial position it inherited from the former government) and on July 16 (when announcing the 1995-96 Budget outcome). Mr Costello made three substantial pledges on these occasions. The first was "to return the Budget to an underlying balance in 1997-98", subsequently revised to achieving a balance in 1998-1999. The second was to achieve this result by taking measures to reduce the Budget deficit by \$4 billion this year and by \$4 billion next year. The third pledge was that this fiscal tightening "will occur overwhelmingly through expenditure cuts". Mr Costello has made a fair fist of these promises. Spending cuts amounting to \$4.4 billion this year were announced by him last night. These will rise to \$7.2 billion next year. Additional revenue measures will deliver a further \$1.3 billion this year. After taking into account additional spending, this will result in an overall improvement of nearly \$4 billion (actually \$3.9 billion) on the starting point deficit for 1996-97. According to the forward estimates, the Budget is heading for a small deficit (\$1.5 billion) next year. Unless something goes horribly wrong with the economy, the Government is well on target to realising its original goal of balancing the Budget in 1997-98 and will certainly have a healthy surplus by 1998-99. While there must be quibbles with the Government's forecast

of 3.5 percent economic growth — particularly given Treasury's concession that the Budget itself will have a "slight moderating influence" — this is unlikely to have a major impact on the Government's three-year objective.

Mr Costello can also claim that the repair of the Budget has occurred primarily through expenditure cuts. These cuts are what economists refer to as "quality" cuts, bringing substantial additional savings in future years. Over the next four years, according to the Budget papers, these will deliver about \$26 billion in total savings. Offset by the additional spending measures to which the Government is committed, this will provide net savings of about \$19 billion.

Mr Costello can not be so virtuous, however, in claiming that he has met his pledge in March that the Government would "not be breaking our election commitments on new taxes or increases in existing taxes". Whatever their virtues, the Medicare surcharge on high income earners is a breach of its specific pledge not to increase taxes. So is the 15 percent surcharge on employer contributions.

The Treasurer could have made an even greater contribution this year to bringing the Budget into balance — or not having to spread the pain of the cuts so widely — if it had not been committed by an election promise to its family tax package. This was a blatant bribe based on the false argument that the tax system makes no provision for families. The tax system makes no provision for families because this assistance was deliberately moved out of the tax system and made a transfer payment. For many families, the additional assistance provided by the tax package will be negated by the additional expenditure cuts which were necessary to finance it. The imposition of a 1 percent surcharge to the Medicare levy on those earning more than \$50,000 a year (singles) and \$100,000 a year (couples) who do not have private health insurance is a necessary initiative. This is, in Mr Costello's words, "the levy which the Government hopes no-one will pay" since it is designed to drive people back into private health funds rather than collect revenue. It is likely to have this effect since private health insurance will have potential advantages which do not accrue to those who choose to pay the levy. It is unfortunate, however, that the Government has coupled this with the income-tested family rebate to defray the cost of private insurance. This is money that could have been better spent by directly improving the hospital system.

After setting up a scare on superannuation, the actual changes announced last night appear quite mild and have been justified by the Government on the grounds of bringing greater equity to the system. The surcharge

of 15 percent on all future contributions made to superannuation funds will not affect those earning less than \$70,000 a year. While there will be squeals, these will be from relatively high income earners, including those able to engage in salary sacrificing. According to Treasury, about 355,000 taxpayers will be affected. The most unfortunate aspect of the Government's superannuation decisions is that it represents yet another round of ad hoc changes without considering how each will contribute to a comprehensive superannuation policy.

Mr Howard has said for some time now, when justifying the spending cuts already announced, that he would be able to look all interest groups in the eye once full details of the Budget were known. This is another way of saying the measures taken to repair the Budget are "quality" measures in the ordinary meaning of that term. There are a number of measures which will make those who can afford to pay make a much greater contribution. On the other hand, once the Budget speech is put aside and the details of the accompanying Budget papers are scanned, a myriad of cuts are listed and many of these will impact on groups and individuals who can least afford to pay. It will take time for the impact of these cuts to sink in and, when it does, the impression of "hitting the rich end" that the government was happy to give last night will not seem so obvious.

Australia: Editorial Says Budget Shows Fiscal Responsibility

BK2108034696 Sydney THE AUSTRALIAN
FINANCIAL REVIEW in English 21 Aug 96

[Editorial: "Budget Has Real Bite" — Received via Internet]

[FBIS Transcribed Text] Last night's federal budget, the first to be brought down by the new treasurer, Mr Peter Costello, provides a solid platform for delivering a sustained reduction in the Budget deficit and, as such, is essentially pro-business. While more could have been done to wind back the deficit in 1996-97, an important start has been made in the process of delivering fiscal responsibility.

Despite this, Mr Costello is today unlikely to be welcomed with enthusiasm in the boardrooms of Australia. For while there is much in it which serves the wider interests of business and the whole Australian economy, the decision to squeeze more revenue out of high-income earners will no doubt leave quite a few businessmen and executives less than enthusiastic about the Coalition Government — a government many of whom, no doubt, did a great deal to help win office last March.

The superannuation surcharge, extra Medicare levy, and the crackdown on luxury car leases all hit those on

higher incomes. When the reduction in the tax break on R&D [research and development] expenditure and the failure to make Employee Share Acquisition Plans significantly more attractive are included, the financial consequences of the Budget on this group are decidedly unpleasant. For those with children at university, the extra cost of HECS [Higher Education Contributory Scheme] will be another cause for anguish.

Given the pain inflicted by these Budget measures on many Liberal Party supporters the Prime Minister, Mr John Howard, and the rest of his party may discover it difficult at the next election to find quite as many enthusiastic financial supporters as they did at the last.

The new superannuation tax surcharge will be a particular cause for bitterness, especially as it is likely to raise even more than the \$500 million annually which the Budget has projected. Given that it strikes at the single most important tax break enjoyed by high-income earners — the ability to get a very large tax cut by salary sacrificing into super — the outcry will be loud and long. This will be the case even given the fact that the new surcharge is less draconian than some of the changes pre-Budget speculation had suggested might be in store.

It is, of course, possible that all these proposals will be blocked by the Senate, where the Australian Democrats have shown so much enthusiasm for obstructing the Federal Government's legitimate legislative program.

Yet, as with the rest of the Government's policy initiatives, the Senate should restrict itself to reviewing and debating the proposals, not blocking them outright. For while measures such as the superannuation surcharge and additional Medicare levy are unpleasant for some, they at least contain a significant equity element, a factor which deserves, in principle, support at a time when the Government has, quite rightly, taken the knife to quite a few spending programs.

In fact, one of the main failings of the Budget is that it hasn't been prepared to make even bigger cuts by taking a much firmer line with "middle class" — not just higher income — welfare and tax breaks. Here the most obvious candidates are a tightening of the means test on the age pension and Austudy and the introduction of co-payments on treatment by doctors who bulk bill. As well, more should have been done to cut spending on the Pharmaceuticals Benefits Scheme.

Such initiatives would not only deliver substantial revenue savings but, by making individuals more responsible for their own welfare, provide an important incentive for boosting private saving. Unfortunately, instead of adopting this approach the Howard Govern-

ment, through such initiatives as its new family package and the tax rebate for the aged, has served to reinforce the mendicant mentality that is so prevalent in Australian society.

There is little doubt this approach reflects Mr Howard's preferences, not Mr Costello's — a point which applies to many other aspects of the Budget, particularly the generous treatment of small business. This, when combined with the family package and the squeeze on higher-income earners, results in a package which panders to Mr Howard's main support base at the last election, including disaffected blue-collar workers.

The pity is that, by adopting this emphasis, Mr Howard effectively made it impossible for the Government to deliver an even better Budget bottom line. What's more, too much of the improvement has been due to extra revenue measures, not spending restraint.

Hopefully, the Government will reconsider this approach when it comes to framing next year's Budget and instead ensure that the measures employed to deliver the promised \$3.5 billion improvement in the Budget deficit will focus firmly on cutting spending, not lifting revenue.

New Zealand

New Zealand: Book on Electronic Intelligence Reviewed

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[Editorial: "The Benefits of New Zealand's Electronic Intelligence-Gathering Apparatus" — received via Internet]

[FBIS Transcribed Text] A recently released book on New Zealand's electronic spying apparatus contains considerable new detail. But its suggestion that we should not engage in such activity does not make much sense, and the unilateralist line it promotes would carry penalties for New Zealand, writes Dr Jim Rolfe.

Intelligence activities are of continuing interest to the informed and the uninformed alike. In part this is because of our delight in the secret, in part because the activities of the intelligence agencies go to the centre of the role of the State.

Nicky Hager, in his book "Secret Power" published last week, lifts many of the skirts behind which one of New Zealand's own agencies, the Government Communications Security Bureau (GCSB), has habitually concealed itself. In brief, GCSB is the organisation which "listens" to electronic signals on the airwaves and passes that

information on to other agencies in New Zealand and overseas for processing into intelligence.

Hager makes many claims about the bureau's activities. Most are impossible to discuss sensibly because (through the nature of the type of evidence) he offers no support, or because they require a knowledge of the detail of the activities which few possess. Whether or not his claims as to the manner in which GCSB processes information, the use of different code words for different types of information, or the names of senior officials are accurate is not really important. Even if the "facts" are wrong in detail Hager presents a view of the secret world which has the feel of "truth." He will undoubtedly have caused considerable embarrassment and annoyance to senior echelons of the intelligence community.

Perhaps more importantly, Hager claims that New Zealand routinely listens to ("spies on") the radio traffic of friendly States such as our South Pacific neighbours or even Japan. True or not, this hardly seems to be of earth-shattering importance. The satellite station at Waihopai was established explicitly to do that, and it would be perverse of any country to exclude itself from knowledge of its surrounding environment.

One is reminded of the immortal phrase of Henry Stimson, US Secretary for War immediately before World War 2: "Gentlemen do not read other gentlemen's mail." He was refusing permission for the United States to establish an operation similar to that conducted by GCSB. Some years later Pearl Harbour was attacked without warning.

Whether or not other countries like it, New Zealand should do what it can to find out what is happening in the wider world. In a technological world signals intelligence, in some circumstances, must be of considerable help.

Hager argues, however, that signals intelligence is not particularly useful and that resources should be put elsewhere. He gives as evidence the fact that GCSB "failed" during both Fijian coups in 1987 and the 1985 bombing of the Rainbow Warrior. Of course, if radio signals are not used, as they were apparently not in these cases, then a signals collecting agency is not going to be useful.

The problem, with this line of argument is that successes, by the nature of the activities, rarely get publicised and when they are it is normally many years after the event. We don't know what successes GCSB may have had. Without the information sensible discussion is impossible.

There are, though, important philosophical issues underlying the detail presented to us. In these Hager raises questions which can be discussed sensibly and which should be. There are questions of accountability, national control and the nature of the links New Zealand has with other countries, especially (in Hager's view) the United States. The questions are all more or less interlinked.

Accountability is the degree to which the Government, especially the Prime Minister who is Minister responsible for the bureau, is aware of and able to direct the bureau's activities. Hager claims that, effectively, the GCSB is not accountable to responsible New Zealand authorities; that intelligence officials are "withholding information from the Prime Minister of the country."

The questions are: "In what detail should the Prime Minister be briefed on intelligence activities?"; and "How much control or oversight should Parliament or other independent authority have?"

The Prime Minister should certainly know that the intelligence agencies exist, that they operate in different fields and that information is shared with friendly States. There is no evidence here that Prime Ministers have not been informed of these matters to some level of detail. Should the Prime Minister be informed of exactly how the information is shared? Perhaps, perhaps not.

Once the principle is agreed the detail becomes possibly less important. It is difficult enough to get Prime Ministers to focus on detail at any time. Intelligence processes are often routine to the point of boredom and the ideal of fully informed knowledge may not be achievable. Undoubtedly, as a result of this book, future Prime Ministers will demand considerably more detail than they might have in the past.

Independent Parliamentary or other oversight of intelligence activities seems to be sensible, although difficult. Parliament, with its intense partisanship and desire for political point scoring does not seem a suitable venue for oversight of these most sensitive Government functions. Not if we want to keep them secret.

Recent changes to the legislation controlling the intelligence agencies are designed to establish an office of inspector-general with broad oversight functions. Hager argues that this will not be effective, indeed that the legislation has been designed to fail. He raises an important point which demands some substantive discussion from the Government.

Even if responsible Ministers are fully informed, how much control does New Zealand actually have? Hager argues that New Zealand's facilities can be controlled automatically by other agencies, that New Zealand can

have no input into that process and, worse, that New Zealand does not have equal access to the other agencies and their equipment.

Even if true, does it matter? Again, perhaps not. There is no suggestion that New Zealand can not use the facilities for itself. As such they are integral to New Zealand's intelligence collection purposes. It does not seem outrageous to allow surplus collection capacity to be used by countries with which we have long-standing and friendly political and security links and to get some level of access to their facilities in return.

New Zealand could become independent of the other States with which it shares information and refuse them access to the capabilities if it chose to and was prepared to accept the costs. This would mean losing the information received from the other States. It would also require a fundamental re-evaluation of our over-all relations with those States.

Relations with friendly States, especially the United States, are a continuing sub-theme in the book. Hager argues that New Zealand's interests are not ever served by maintaining a close relationship with the US, especially in the area of intelligence sharing. He has a point at one level. New Zealand and the US do have different world views and in many areas of detail have different interests.

But New Zealand and the United States also have extremely close political values and can find many points of agreement in the international political system. That being the case it makes little sense for New Zealand not to have a good relationship with the US and those other countries with similar world views.

Does a good relationship need intelligence sharing? Probably not. Can a good relationship be had if intelligence sharing is halted unilaterally. Probably not. Without intelligence sharing would New Zealand be better or worse off? On balance probably worse off. Not only because of the loss of information, but also because of the ripple effects, especially in our relationship with Australia which does place considerably greater emphasis on security matters than does New Zealand. We need to remember that there are costs to independent activity as well as benefits.

Hager has produced a very thought-provoking book. Its value lies not in the detail of intelligence operations, but in the wider questions raised. These can be discussed by responsible Ministers and analysed by informed scholars of the subject without compromising intelligence secrets. They should be.

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